

John Hancock Global Absolute Return Strategies Fund

Annual report 7/31/19

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change, and you do not need to take any action. You may elect to receive shareholder reports and other communications electronically by calling John Hancock Investment Management at 800-225-5291 (Class A and Class C shares) or 888-972-8696 (Class I, Class R2, Class R6, and Class NAV shares) or by contacting your financial intermediary.

You may elect to receive all reports in paper, free of charge, at any time. You can inform John Hancock Investment Management or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions listed above. Your election to receive reports in paper will apply to all funds held with John Hancock Investment Management or your financial intermediary.



John Hancock Investment Management



A message to shareholders

Dear shareholder,

It was a rather volatile time for capital markets during the 12 months ended July 31, 2019, with investor uncertainty surrounding trade relations between the United States and China and the broader health of the global economy leading to some dramatic swings in performance. The trend in longer-term yields was decidedly downward, with the 10-year U.S. Treasury finishing the period at just above 2%, triggering an inverted yield curve shortly after period end. In July, the U.S. Federal Reserve stepped in with a reduction in short-term interest rates in an attempt to offer a measure of stimulus to jittery markets, and investors greeted the news favorably. The commodity markets were mixed, with oil and some other natural resources down but gold, historically a strong performer in times of uncertainty, up sharply.

While the economic fundamentals in the United States appear fairly solid, with a strong labor market and a confident consumer base, there are sure to be patches of market turbulence as the year goes on, particularly as the threat of a recession looms. As always, your best resource in unpredictable markets is your financial advisor, who can help position your portfolio so that it's sufficiently diversified to meet your long-term objectives and to withstand the inevitable bouts of market volatility along the way.

On behalf of everyone at John Hancock Investment Management, I'd like to take this opportunity to welcome new shareholders and thank existing shareholders for the continued trust you've placed in us.

Sincerely,

A handwritten signature in black ink that reads "Andrew Arnott". The signature is fluid and cursive, with the first name "Andrew" and last name "Arnott" clearly distinguishable.

Andrew G. Arnott

President and CEO,

John Hancock Investment Management

Head of Wealth and Asset Management,

United States and Europe

This commentary reflects the CEO's views as of this report's period end and are subject to change at any time. Diversification does not guarantee investment returns and does not eliminate risk of loss. All investments entail risks, including the possible loss of principal. For more up-to-date information, you can visit our website at jhinvestments.com.

John Hancock

Global Absolute Return Strategies Fund

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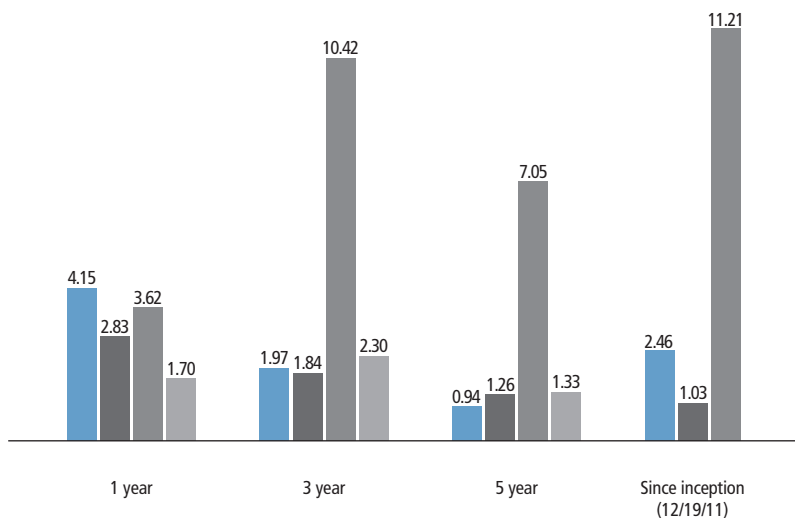
Your fund at a glance

INVESTMENT OBJECTIVE

The fund seeks long-term total return.

AVERAGE ANNUAL TOTAL RETURNS AS OF 7/31/19 (%)

- Class A shares (without sales charge)
- ICE Bank of America Merrill Lynch U.S. Dollar 6-Month Deposit Offered Rate Constant Maturity Index
- MSCI World Index
- Morningstar U.S. multialternative fund category average



The ICE Bank of America Merrill Lynch U.S. Dollar 6-Month Deposit Offered Rate Constant Maturity Index tracks the average interest rate at which a selection of banks in London are prepared to lend to one another in U.S. dollars with a constant maturity of 6 months.

The MSCI World Index is a free float-adjusted market-capitalization-weighted index that is designed to measure equity market performance of global developed markets, and is included here as a broad measure of market performance.

It is not possible to invest directly in an index. Index figures do not reflect expenses or sales charges, which would result in lower returns.

Figures from Morningstar, Inc. include reinvested distributions and do not take into account sales charges. Actual load-adjusted performance is lower. Since-inception returns for the Morningstar fund category average are not available.

The past performance shown here reflects reinvested distributions and the beneficial effect of any expense reductions, and does not guarantee future results. Performance of the other share classes will vary based on the difference in the fees and expenses of those classes. Shares will fluctuate in value and, when redeemed, may be worth more or less than their original cost. Current month-end performance may be lower or higher than the performance cited, and can be found at jhinvestments.com or by calling 800-225-5291. For further information on the fund's objectives, risks, and strategy, see the fund's prospectus.

PERFORMANCE HIGHLIGHTS OVER THE LAST TWELVE MONTHS

The fund was up

The fund posted a positive total return, finishing ahead of its cash benchmark, the ICE BofA ML USD 6-Month Deposit Offered Rate Constant Maturity Index, and the global equity market.

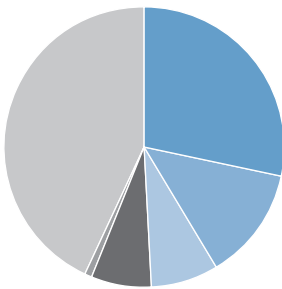
Credit and duration contributed

Global interest rates declined driving up bond prices around the world, and the fund's European forward-start interest-rate strategy was among those driving total returns.

Equity exposure detracted

The fund's equity allocations across emerging markets, global oil majors, and continental European companies weighed down performance for the period.

PORTFOLIO COMPOSITION AS OF 7/31/19 (%)



Foreign government obligations	28.6
Common stocks	12.8
U.S. Government	7.8
Corporate bonds	7.0
Purchased options	0.8
Short-term investments and other	43.0

As a percentage of net assets.

A note about risks

The fund is subject to various risks as described in the fund's prospectus. For more information, please refer to the "Principal risks" section of the prospectus.

PORTFOLIO ALLOCATION AS OF 7/31/19 (%)

Foreign government obligations	28.6
Common stocks	12.8
Energy	3.3
Financials	1.8
Health care	1.5
Industrials	1.1
Consumer staples	1.1
Consumer discretionary	1.0
Information technology	1.0
Communication services	0.7
Materials	0.6
Utilities	0.5
Real estate	0.2
U.S. Government	7.8
Corporate bonds	7.0
Purchased options	0.8
Short-term investments and other	43.0
Time deposits	20.8
Money market funds	10.6
Commercial paper	3.7
U.S. Government	3.1
Certificate of deposit	1.8
Other assets and liabilities, net	3.0
TOTAL	100.0

As a percentage of net assets.

Discussion of fund performance

Note: Effective August 28, 2019, John Hancock Global Absolute Return Strategies Fund was renamed John Hancock Multi-Asset Absolute Return Fund and will be managed by Nordea Investment Management North America, Inc. The interview below is with the fund's previous manager, Aberdeen Standard Investments Inc.

How would you describe the macroeconomic and market backdrop during the 12 months ended July 31, 2019?

Most fixed-income markets across different regions and sectors produced positive returns during the period. Global stock markets saw much more dispersion. U.S. equities were positive on balance, yet large- and mid-cap growth stocks posted double-digit percentage gains, while small-cap core and value stocks saw mid-single-digit declines. Many non-U.S. markets suffered losses, with Brazil, Russia, and Switzerland being among the most prominent exceptions.

In foreign exchange markets, the Australian dollar, the British pound, and the euro were relative laggards, while the Japanese yen, many emerging-market currencies, and the U.S. dollar fared better. Oil and many other commodity markets fell; the price for gold, which staged an impressive rally, was a notable exception. As widely expected, the U.S. Federal Reserve cut interest rates on the last day of the period, its first such move since 2008.

COUNTRY COMPOSITION AS OF 7/31/19 (%)

United States	33.1
France	17.4
Mexico	8.7
United Kingdom	4.9
Germany	4.7
Belgium	3.8
Canada	3.3
Sweden	2.9
Japan	2.5
Indonesia	1.9
Other countries	16.8
TOTAL	100.0

As a percentage of net assets.

What fund strategies contributed to and detracted from performance?

Supportive measures from global central banks provided a favorable environment for duration exposure. In particular, the fund's European forward-start interest rates, U.S. real yields, Canadian interest rates, and European yield curve flattener strategies delivered positive returns. Credit markets moved higher, too, as expectations further policy relaxation lifted sentiment. This boosted the fund's emerging-market income, Brazilian government bonds, and high-yield credit positions.

Conversely, the fund's European and emerging-market equity allocations detracted from performance, as did its global equity oil majors strategy as global trade tensions tempered expectations for oil demand. Elsewhere, the fund's short Australian banks strategy was hurt by surprise election results and expectations that Australia's central bank would make renewed efforts to stimulate the economy.

Can you tell us about a recent change made to the fund based on market conditions?

Shortly before the close of the period, we reduced the fund's European interest-rate exposure and opened the Canadian interest-rate position. Given recent strong economic data in Canada, most market participants seem to expect fewer rate cuts there in comparison with the more extensive anticipated cuts elsewhere.

Can you tell us about a recent change to the fund's management?

Effective April 5, 2019, I replaced portfolio manager Guy Stern, who retired.

MANAGED BY



Aymeric N. Forest, CFA
On the fund since 2019
Investing since 1997

AberdeenStandard
Investments

The views expressed in this report are exclusively those of Aymeric N. Forest, CFA, Aberdeen Standard Investments Inc., and are subject to change. They are not meant as investment advice. Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

A look at performance

TOTAL RETURNS FOR THE PERIOD ENDED JULY 31, 2019

	Average annual total returns (%) with maximum sales charge			Cumulative total returns (%) with maximum sales charge	
	1-year	5-year	Since inception [†]	5-year	Since inception [†]
Class A	-1.06	-0.09	1.77	-0.43	14.29
Class C ²	2.42	0.25	1.80	1.27	14.57
Class I ³	4.40	1.24	2.80	6.38	23.39
Class R2 ^{2,3}	4.07	0.80	2.28	4.04	18.76
Class R6 ^{2,3}	4.59	1.37	2.87	7.05	24.03
Class NAV ³	4.59	1.37	2.90	7.04	24.35
Index 1 [†]	2.83	1.26	1.03	6.45	8.12
Index 2 [†]	3.62	7.05	11.21	40.60	124.65

Performance figures assume all distributions have been reinvested. Figures reflect maximum sales charges on Class A shares of 5.00% and the applicable contingent deferred sales charge (CDSC) on Class C shares. Class C shares sold within one year of purchase are subject to a 1% CDSC. Sales charges are not applicable to Class I, Class R2, Class R6, and Class NAV shares.

The expense ratios of the fund, both net (including any fee waivers and/or expense limitations) and gross (excluding any fee waivers and/or expense limitations), are set forth according to the most recent publicly available prospectuses for the fund and may differ from those disclosed in the Financial highlights tables in this report. Net expenses reflect contractual expense limitations in effect until July 31, 2021 and are subject to change. Had the contractual fee waivers and expense limitations not been in place, gross expenses would apply. The expense ratios are as follows:

	Class A	Class C	Class I	Class R2	Class R6	Class NAV
Gross (%)	1.65	2.35	1.35	1.76	1.26	1.24
Net (%)	1.64	2.34	1.34	1.75	1.25	1.23

Please refer to the most recent prospectuses and annual or semiannual report for more information on expenses and any expense limitation arrangements for each class.

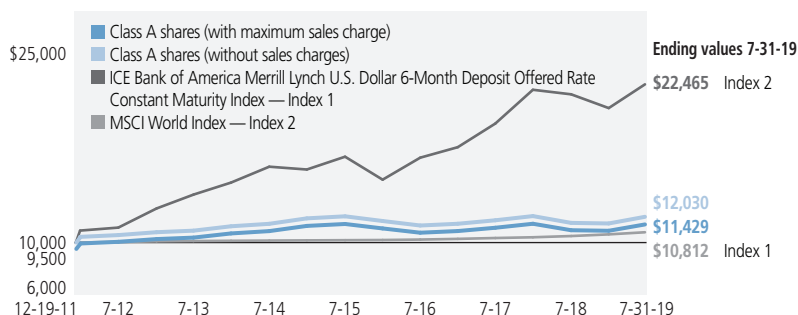
The returns reflect past results and should not be considered indicative of future performance. The return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Due to market volatility and other factors, the fund's current performance may be higher or lower than the performance shown. For current to the most recent month-end performance data, please call 800-225-5291 or visit the fund's website at jhinvestments.com.

The performance table above and the chart on the next page do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. The fund's performance results reflect any applicable fee waivers or expense reductions, without which the expenses would increase and results would have been less favorable.

[†] Index 1 is The ICE Bank of America Merrill Lynch U.S. Dollar 6-Month Deposit Offered Rate Constant Maturity Index; Index 2 is the MSCI World Index.

See the following page for footnotes.

This chart and table show what happened to a hypothetical \$10,000 investment in John Hancock Global Absolute Return Strategies Fund for the share classes and periods indicated, assuming all distributions were reinvested. For comparison, we've shown the same investment in two separate indexes.



	Start date	With maximum sales charge (\$)	Without sales charge (\$)	Index 1 (\$)	Index 2 (\$)
Class C ^{2,4}	12-19-11	11,457	11,457	10,812	22,465
Class I ³	12-19-11	12,339	12,339	10,812	22,465
Class R2 ^{2,3}	12-19-11	11,876	11,876	10,812	22,465
Class R6 ^{2,3}	12-19-11	12,403	12,403	10,812	22,465
Class NAV ³	12-19-11	12,435	12,435	10,812	22,465

The ICE Bank of America Merrill Lynch U.S. Dollar 6-Month Deposit Offered Rate Constant Maturity Index tracks the average interest rate at which a selection of banks in London are prepared to lend to one another in U.S. dollars with a constant maturity of 6 months.

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It is not possible to invest directly in an index. Index figures do not reflect expenses or sales charges, which would result in lower returns.

Footnotes related to performance pages

¹ From 12-19-11.

² Class C shares were first offered on 8-1-12; Class R2 and Class R6 shares were first offered on 3-1-12. Returns prior to these dates are those of Class A shares (first offered on 12-19-11) that have not been adjusted for class-specific expenses; otherwise, returns would vary.

³ For certain types of investors as described in the fund's prospectuses.

⁴ The contingent deferred sales charge is not applicable.

Your expenses

These examples are intended to help you understand your ongoing operating expenses of investing in the fund so you can compare these costs with the ongoing costs of investing in other mutual funds.

Understanding fund expenses

As a shareholder of the fund, you incur two types of costs:

- **Transaction costs**, which include sales charges (loads) on purchases or redemptions (varies by share class), minimum account fee charge, etc.
- **Ongoing operating expenses**, including management fees, distribution and service fees (if applicable), and other fund expenses.

We are presenting only your ongoing operating expenses here.

Actual expenses/actual returns

The first line of each share class in the table on the following page is intended to provide information about the fund's actual ongoing operating expenses, and is based on the fund's actual return. It assumes an account value of \$1,000.00 on February 1, 2019, with the same investment held until July 31, 2019.

Together with the value of your account, you may use this information to estimate the operating expenses that you paid over the period. Simply divide your account value at July 31, 2019, by \$1,000.00, then multiply it by the "expenses paid" for your share class from the table. For example, for an account value of \$8,600.00, the operating expenses should be calculated as follows:

Example

$$\left[\frac{\text{My account value}}{\$8,600.00} / \$1,000.00 = 8.6 \right] \times \$ \left[\begin{array}{c} \text{"expenses paid"} \\ \text{from table} \end{array} \right] = \text{My actual expenses}$$

Hypothetical example for comparison purposes

The second line of each share class in the table on the following page allows you to compare the fund's ongoing operating expenses with those of any other fund. It provides an example of the fund's hypothetical account values and hypothetical expenses based on each class's actual expense ratio and an assumed 5% annualized return before expenses (which is not the class's actual return). It assumes an account value of \$1,000.00 on February 1, 2019, with the same investment held until July 31, 2019. Look in any other fund shareholder report to find its hypothetical example and you will be able to compare these expenses. Please remember that these hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Remember, these examples do not include any transaction costs, therefore, these examples will not help you to determine the relative total costs of owning different funds. If transaction costs were included, your expenses would have been higher. See the prospectuses for details regarding transaction costs.

SHAREHOLDER EXPENSE EXAMPLE CHART

		Account value on 2-1-2019	Ending value on 7-31-2019	Expenses paid during period ended 7-31-2019 ¹	Annualized expense ratio
Class A	Actual expenses/actual returns	\$1,000.00	\$1,045.60	\$ 8.67	1.71%
	Hypothetical example	1,000.00	1,016.30	8.55	1.71%
Class C	Actual expenses/actual returns	1,000.00	1,042.60	12.26	2.42%
	Hypothetical example	1,000.00	1,012.80	12.08	2.42%
Class I	Actual expenses/actual returns	1,000.00	1,047.10	7.21	1.42%
	Hypothetical example	1,000.00	1,017.80	7.10	1.42%
Class R2	Actual expenses/actual returns	1,000.00	1,044.80	9.28	1.83%
	Hypothetical example	1,000.00	1,015.70	9.15	1.83%
Class R6	Actual expenses/actual returns	1,000.00	1,047.90	6.65	1.31%
	Hypothetical example	1,000.00	1,018.30	6.56	1.31%
Class NAV	Actual expenses/actual returns	1,000.00	1,048.00	6.50	1.28%
	Hypothetical example	1,000.00	1,018.40	6.41	1.28%

¹ Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Fund's investments

AS OF 7-31-19

	Rate (%)	Maturity date	Par value^	Value
U.S. Government and Agency obligations 7.8%				\$64,136,465
(Cost \$59,395,405)				
United States 7.8%				64,136,465
U.S. Treasury				
Treasury Inflation Protected Security	0.625	02-15-43	5,939,700	6,478,638
Treasury Inflation Protected Security	0.750	02-15-42	5,967,300	6,852,205
Treasury Inflation Protected Security	0.750	02-15-45	5,945,100	6,461,025
Treasury Inflation Protected Security	0.875	02-15-47	7,117,600	7,772,165
Treasury Inflation Protected Security	1.000	02-15-46	5,405,700	6,182,681
Treasury Inflation Protected Security	1.000	02-15-48	4,836,700	5,339,475
Treasury Inflation Protected Security	1.000	02-15-49	301,300	328,108
Treasury Inflation Protected Security	1.375	02-15-44	5,925,600	7,459,515
Treasury Inflation Protected Security	2.125	02-15-40	3,900,700	5,955,616
Treasury Inflation Protected Security	2.125	02-15-41	6,181,000	9,380,151
Treasury Inflation Protected Security (A)	3.375	04-15-32	975,600	1,926,886
Foreign government obligations 28.6%				\$234,499,754
(Cost \$220,545,483)				
Argentina 0.1%				481,493
Republic of Argentina				
Bond (Argentina Blended Historical Policy Rate) (B)	62.815	06-21-20	ARS 20,268,054	481,493
Brazil 1.7%				14,377,119
Federative Republic of Brazil				
Note	10.000	01-01-23	BRL 40,460,000	11,843,102
Note	10.000	01-01-25	BRL 3,889,000	1,169,581
Note	10.000	01-01-27	BRL 4,446,000	1,364,436
Chile 0.2%				1,551,144
Republic of Chile				
Bond	4.500	03-01-21	CLP 1,035,000,000	1,551,144
Colombia 1.1%				8,956,175
Republic of Colombia				
Bond	7.500	08-26-26	COP 3,460,100,000	1,171,225
Bond	7.750	09-18-30	COP 8,685,400,000	3,021,376
Bond	10.000	07-24-24	COP 12,931,900,000	4,763,574
Costa Rica 0.1%				744,443
Republic of Costa Rica				
Bond	10.350	06-19-30	CRC 415,000,000	744,443
Czech Republic 0.1%				1,080,013
Czech Republic				
Bond	2.000	10-13-33	CZK 17,310,000	785,259
Bond	4.200	12-04-36	CZK 4,990,000	294,754

	Rate (%)	Maturity date		Par value^	Value
France 8.5%					\$69,592,719
Government of France					
Bond (C)	1.500	05-25-50	EUR	31,067,800	41,463,375
Bond (C)	2.000	05-25-48	EUR	18,931,000	28,129,344
Hungary 0.4%					3,213,744
Republic of Hungary					
Bond	1.000	09-23-20	HUF	937,430,000	3,213,744
Indonesia 1.9%					15,786,260
Republic of Indonesia					
Bond	5.625	05-15-23	IDR	7,191,000,000	496,183
Bond	7.000	05-15-22	IDR	24,379,000,000	1,764,555
Bond	7.000	05-15-27	IDR	61,104,000,000	4,315,685
Bond	7.500	08-15-32	IDR	16,061,000,000	1,128,693
Bond	7.500	05-15-38	IDR	9,271,000,000	645,180
Bond	8.125	05-15-24	IDR	5,183,000,000	389,683
Bond	8.250	05-15-36	IDR	15,469,000,000	1,156,506
Bond	8.375	09-15-26	IDR	28,847,000,000	2,194,035
Bond	8.375	03-15-34	IDR	48,771,000,000	3,695,740
Malaysia 0.8%					6,762,122
Government of Malaysia					
Bond	3.757	04-20-23	MYR	4,790,000	1,175,539
Bond	3.844	04-15-33	MYR	2,567,000	622,837
Bond	4.059	09-30-24	MYR	10,503,000	2,613,011
Bond	4.181	07-15-24	MYR	4,113,000	1,028,770
Bond	4.935	09-30-43	MYR	4,858,000	1,321,965
Mexico 8.6%					70,242,458
Government of Mexico					
Bond	6.500	06-09-22	MXN	38,013,900	1,942,793
Bond	7.500	06-03-27	MXN	34,834,900	1,820,640
Bond	7.750	11-13-42	MXN	69,220,800	3,552,037
Bond	8.000	12-07-23	MXN	165,570,300	8,860,770
Bond	8.000	11-07-47	MXN	190,063,400	9,998,592
Bond	8.500	05-31-29	MXN	34,600,300	1,927,650
Bond	8.500	11-18-38	MXN	101,969,000	5,657,161
Bond	10.000	12-05-24	MXN	533,596,600	31,139,683
Bond	10.000	11-20-36	MXN	84,824,000	5,343,132
Peru 0.5%					3,891,388
Republic of Peru					
Bond (C)	5.940	02-12-29	PEN	7,723,000	2,609,946
Bond	6.900	08-12-37	PEN	3,475,000	1,281,442
Philippines 0.4%					3,402,626
Republic of Philippines					
Bond	5.750	04-12-25	PHP	98,980,000	2,046,623
Bond	6.250	03-22-28	PHP	33,450,000	726,795

	Rate (%)	Maturity date		Par value^	Value
Philippines (continued)					
Bond	6.250	01-14-36	PHP	11,000,000	\$251,388
Bond	6.875	01-10-29	PHP	16,560,000	377,820
Poland 1.0%					8,172,348
Republic of Poland					
Bond	1.500	04-25-20	PLN	13,470,000	3,483,010
Bond	2.500	04-25-24	PLN	2,224,000	591,128
Bond	5.250	10-25-20	PLN	13,400,000	3,622,607
Bond	5.500	10-25-19	PLN	1,825,000	475,603
Romania 0.0%					102,863
Government of Romania					
Bond	5.000	02-12-29	RON	420,000	102,863
South Africa 1.1%					9,102,501
Republic of South Africa					
Bond	6.250	03-31-36	ZAR	10,383,000	521,630
Bond	8.000	01-31-30	ZAR	35,191,000	2,286,047
Bond	8.250	03-31-32	ZAR	5,414,000	346,046
Bond	8.750	02-28-48	ZAR	34,835,000	2,145,617
Bond	9.000	01-31-40	ZAR	15,663,000	1,009,574
Bond	10.500	12-21-26	ZAR	35,902,000	2,793,587
Thailand 1.3%					10,323,279
Kingdom of Thailand					
Bond	1.250	03-12-28	THB	232,975,000	7,738,537
Bond	3.650	12-17-21	THB	36,563,000	1,242,829
Bond	3.775	06-25-32	THB	34,262,000	1,341,913
Turkey 0.5%					4,271,929
Republic of Turkey					
Bond	7.100	03-08-23	TRY	7,405,000	1,033,595
Bond	9.500	01-12-22	TRY	2,442,000	385,924
Bond	11.000	02-24-27	TRY	5,403,000	794,815
Bond	12.200	01-18-23	TRY	12,482,000	2,057,595
Uruguay 0.3%					2,445,130
Republic of Uruguay					
Bond	4.375	12-15-28	UYU	42,416,393	2,445,130
Corporate bonds 7.0%					\$57,412,136
(Cost \$56,453,493)					
Australia 0.1%					547,474
BHP Billiton Finance, Ltd. (6.500% to					
10-22-22, then 5 Year British Pound					
Swap Rate + 4.817%)	6.500	10-22-77	GBP	225,000	311,246
Mineral Resources, Ltd. (C)	8.125	05-01-27		225,000	236,228
Austria 0.0%					271,659
Sappi Papier Holding GmbH	4.000	04-01-23	EUR	240,000	271,659

	Rate (%)	Maturity date	Par value^	Value
Canada 0.1%				\$1,069,810
Clearwater Seafoods, Inc. (C)	6.875	05-01-25	400,000	405,000
Entertainment One, Ltd. (C)	4.625	07-15-26	GBP 160,000	199,904
First Quantum Minerals, Ltd. (C)	7.500	04-01-25	475,000	464,906
Cayman Islands 0.1%				645,750
UPCB Finance IV, Ltd. (C)	5.375	01-15-25	630,000	645,750
Colombia 0.1%				428,426
Tecnoglass, Inc. (C)	8.200	01-31-22	399,000	428,426
Denmark 0.2%				1,576,721
Danske Bank A/S (5.875% to 4-6-22, then 7 Year Euro Swap Rate + 5.471%) (D)	5.875	04-06-22	EUR 225,000	263,709
DKT Finance ApS (C)	9.375	06-17-23	1,213,000	1,313,012
France 0.2%				1,753,697
Casino Guichard Perrachon SA	4.561	01-25-23	EUR 200,000	192,293
Credit Agricole SA (7.875% to 1-23-24, then 5 Year U.S. Swap Rate + 4.898%) (C)(D)	7.875	01-23-24	680,000	750,120
Crown European Holdings SA	2.250	02-01-23	EUR 295,000	345,521
La Financiere Atalian SASU	4.000	05-15-24	EUR 115,000	88,212
SPCM SA (C)	4.875	09-15-25	373,000	377,551
Germany 0.2%				1,267,888
Aareal Bank AG (7.625% to 4-30-20, then 1 Year Euro Swap Rate + 7.180%) (D)	7.625	04-30-20	EUR 200,000	229,434
Nidda Healthcare Holding GmbH	3.500	09-30-24	EUR 220,000	252,781
Tele Columbus AG (C)	3.875	05-02-25	EUR 290,000	297,947
Unitymedia Hessen GmbH & Company KG	4.000	01-15-25	EUR 425,000	487,726
India 0.0%				301,940
Vedanta Resources, Ltd. (C)	6.375	07-30-22	303,000	301,940
Ireland 0.2%				1,590,680
Ardagh Packaging Finance PLC (C)	4.250	09-15-22	200,000	203,100
Ardagh Packaging Finance PLC (C)	4.625	05-15-23	200,000	205,000
Ardagh Packaging Finance PLC	6.750	05-15-24	EUR 235,000	275,142
C&W Senior Financing DAC (C)	6.875	09-15-27	291,000	304,473
Perrigo Finance Unlimited Company	4.375	03-15-26	300,000	304,109
Smurfit Kappa Acquisitions ULC	4.125	01-30-20	EUR 265,000	298,856
Israel 0.0%				145,350
Teva Pharmaceutical Finance Company BV	3.650	11-10-21	153,000	145,350

	Rate (%)	Maturity date		Par value^	Value
Italy 0.2%					\$1,319,374
Telecom Italia Finance SA	7.750	01-24-33	EUR	221,000	355,782
Telecom Italia SpA (C)	5.303	05-30-24		372,000	392,925
UniCredit SpA	6.950	10-31-22	EUR	255,000	335,759
Wind Tre SpA	2.625	01-20-23	EUR	210,000	234,908
Luxembourg 0.2%					1,705,849
Cirsa Finance International Sarl (C)	6.250	12-20-23	EUR	328,000	390,485
Cirsa Finance International Sarl (C)	7.875	12-20-23		352,000	371,547
Dufry Finance SCA	4.500	08-01-23	EUR	175,000	198,530
Lincoln Financing Sarl (C)	3.625	04-01-24	EUR	202,000	230,421
Lincoln Financing Sarl (Greater of 3 month EURIBOR + 3.875% or 3.875%) (B)(C)	3.875	04-01-24	EUR	131,000	145,922
Matterhorn Telecom SA	3.875	05-01-22	EUR	330,000	368,944
Mexico 0.1%					970,018
Cemex SAB de CV (C)	5.700	01-11-25		270,000	277,088
Petroleos Mexicanos	7.190	09-12-24	MXN	16,047,300	692,930
Netherlands 0.5%					3,861,624
Cimpress NV (C)	7.000	06-15-26		429,000	430,073
Energizer Gamma Acquisition BV (C)	4.625	07-15-26	EUR	310,000	357,927
InterXion Holding NV (C)	4.750	06-15-25	EUR	385,000	463,451
OCI NV	5.000	04-15-23	EUR	335,000	389,388
OI European Group BV (C)	4.000	03-15-23		502,000	504,510
Teva Pharmaceutical Finance Netherlands II BV	1.250	03-31-23	EUR	160,000	154,292
Teva Pharmaceutical Finance Netherlands II BV	3.250	04-15-22	EUR	145,000	154,034
Teva Pharmaceutical Finance Netherlands III BV	6.750	03-01-28		611,000	546,845
Trivium Packaging Finance BV (C)	3.750	08-15-26	EUR	100,000	114,575
Ziggo Bond Company BV (C)	4.625	01-15-25	EUR	439,000	500,647
Ziggo Bond Company BV	7.125	05-15-24	EUR	84,463	97,591
Ziggo BV	4.250	01-15-27	EUR	125,000	148,291
Norway 0.0%					420,523
Nassa Topco AS	2.875	04-06-24	EUR	360,000	420,523
Sweden 0.1%					515,800
Intrum AB (C)	3.500	07-15-26	EUR	217,000	241,629
Verisure Holding AB (C)	3.500	05-15-23	EUR	238,000	274,171
Switzerland 0.0%					300,336
Credit Suisse Group AG (6.250% to 12-18-24, then 5 Year U.S. Swap Rate + 3.455%) (D)	6.250	12-18-24		285,000	300,336

	Rate (%)	Maturity date		Par value^	Value
United Kingdom 0.4%					\$3,544,166
Arqiva Broadcast Finance PLC	6.750	09-30-23	GBP	370,000	480,023
CYBG PLC (8.000% to 12-8-22, then 5 Year British Pound Swap Rate + 6.250%) (D)	8.000	12-08-22	GBP	200,000	233,491
Jaguar Land Rover Automotive PLC	4.500	01-15-26	EUR	115,000	110,554
KCA Deutag UK Finance PLC (C)	9.625	04-01-23		434,000	295,120
Pinnacle Bidco PLC	6.375	02-15-25	GBP	250,000	320,200
TalkTalk Telecom Group PLC	5.375	01-15-22	GBP	250,000	310,948
Tesco Property Finance 2 PLC	6.052	10-13-39	GBP	219,760	353,353
The Royal Bank of Scotland Group PLC (8.625% to 8-15-21, then 5 Year U.S. Swap Rate + 7.598%) (D)	8.625	08-15-21		700,000	744,625
Virgin Media Finance PLC (C)	6.000	10-15-24		520,000	540,150
Virgin Media Secured Finance PLC (6.000% to 1-15-21, then 11.000% thereafter) (C)	6.000	01-15-25	GBP	115,000	155,702
United States 4.3%					35,175,051
ACI Worldwide, Inc. (C)	5.750	08-15-26		418,000	433,665
Alliance Data Systems Corp. (C)	5.375	08-01-22		681,000	690,153
Ally Financial, Inc.	3.875	05-21-24		74,000	76,220
Ally Financial, Inc.	5.750	11-20-25		478,000	533,568
Avantor, Inc.	4.750	10-01-24	EUR	467,000	552,947
Avis Budget Car Rental LLC (C)	5.750	07-15-27		208,000	210,080
Bank of America Corp. (6.300% to 3-10-26, then 3 month LIBOR + 4.553%) (D)	6.300	03-10-26		264,000	295,680
Bausch Health Americas, Inc. (C)	8.500	01-31-27		69,000	75,993
Bausch Health Companies, Inc. (C)	5.500	11-01-25		236,000	245,440
Bausch Health Companies, Inc. (C)	7.000	03-15-24		736,000	776,480
Berry Global, Inc. (C)	4.875	07-15-26		248,000	257,920
Bruin E&P Partners LLC (C)	8.875	08-01-23		509,000	380,478
Builders FirstSource, Inc. (C)	5.625	09-01-24		393,000	406,755
Builders FirstSource, Inc. (C)	6.750	06-01-27		13,000	13,683
Calpine Corp. (C)	5.250	06-01-26		275,000	277,756
CCO Holdings LLC (C)	5.375	06-01-29		115,000	119,169
CCO Holdings LLC (C)	5.875	04-01-24		244,000	253,455
Cedar Fair LP (C)	5.250	07-15-29		232,000	240,120
CEMEX Finance LLC (C)	6.000	04-01-24		490,000	502,863
Century Communities, Inc.	5.875	07-15-25		264,000	265,320
Century Communities, Inc. (C)	6.750	06-01-27		105,000	108,413
CenturyLink, Inc.	5.625	04-01-20		307,000	311,027
Charter Communications Operating LLC	6.384	10-23-35		581,000	685,915
Cheniere Corpus Christi Holdings LLC	7.000	06-30-24		692,000	787,164
Cheniere Energy Partners LP	5.250	10-01-25		302,000	312,954
Clean Harbors, Inc. (C)	4.875	07-15-27		238,000	245,407

	Rate (%)	Maturity date	Par value^	Value
United States (continued)				
Clean Harbors, Inc. (C)	5.125	07-15-29	33,000	\$34,784
Colfax Corp. (C)	6.000	02-15-24	106,000	112,261
Colfax Corp. (C)	6.375	02-15-26	204,000	218,345
Commercial Metals Company	5.750	04-15-26	489,000	503,670
CommScope, Inc. (C)	6.000	03-01-26	340,000	343,723
CommScope, Inc. (C)	8.250	03-01-27	106,000	104,410
Consolidated Communications, Inc.	6.500	10-01-22	506,000	458,748
CSC Holdings LLC (C)	6.500	02-01-29	389,000	428,873
CSC Holdings LLC (C)	10.875	10-15-25	497,000	566,118
Cumulus Media New Holdings, Inc. (C)	6.750	07-01-26	228,000	232,845
CyrusOne LP	5.375	03-15-27	178,000	189,125
DaVita, Inc.	5.125	07-15-24	207,000	207,776
Dell International LLC (C)	5.300	10-01-29	634,000	674,206
Dell International LLC (C)	5.875	06-15-21	437,000	444,554
Delta Air Lines, Inc.	4.375	04-19-28	309,000	324,149
Diamondback Energy, Inc.	5.375	05-31-25	501,000	526,050
DISH DBS Corp.	5.000	03-15-23	434,000	418,810
Encompass Health Corp.	5.750	11-01-24	388,000	392,373
Energy Transfer Operating LP	5.875	01-15-24	218,000	242,009
Energy Transfer Operating LP	7.500	10-15-20	199,000	210,189
ESH Hospitality, Inc. (C)	5.250	05-01-25	353,000	363,149
GCI LLC (C)	6.625	06-15-24	175,000	186,375
General Motors Financial Company, Inc. (5.750% to 9-30-27, then 3 month LIBOR + 3.598%) (D)	5.750	09-30-27	293,000	273,223
GLP Capital LP	5.375	04-15-26	248,000	269,854
Graham Holdings Company (C)	5.750	06-01-26	88,000	93,738
Gray Television, Inc. (C)	7.000	05-15-27	349,000	381,719
Harland Clarke Holdings Corp. (C)	8.375	08-15-22	43,000	36,335
HCA, Inc.	7.500	11-15-95	841,000	899,870
International Game Technology PLC (C)	3.500	07-15-24	EUR 258,000	309,106
International Game Technology PLC (C)	3.500	06-15-26	EUR 153,000	178,560
IQVIA, Inc.	3.250	03-15-25	EUR 215,000	244,227
Iron Mountain, Inc. (C)	5.250	03-15-28	348,000	349,740
j2 Cloud Services LLC (C)	6.000	07-15-25	583,000	615,357
Lennar Corp.	4.750	11-29-27	854,000	896,700
MDC Holdings, Inc.	6.000	01-15-43	521,000	513,185
Meredith Corp.	6.875	02-01-26	516,000	545,670
MGM Resorts International	5.500	04-15-27	288,000	305,364
Moss Creek Resources Holdings, Inc. (C)	7.500	01-15-26	622,000	486,715
MPT Operating Partnership LP	4.000	08-19-22	EUR 215,000	263,291
NBM US Holdings, Inc. (C)	7.000	05-14-26	311,000	320,797
Netflix, Inc.	5.875	11-15-28	561,000	614,996
Netflix, Inc. (C)	6.375	05-15-29	159,000	178,032

	Rate (%)	Maturity date	Par value^	Value
United States (continued)				
New Enterprise Stone & Lime Company, Inc. (C)	6.250	03-15-26	313,000	\$320,356
Nine Energy Service, Inc. (C)	8.750	11-01-23	170,000	166,175
Novelis Corp. (C)	5.875	09-30-26	118,000	122,278
Novelis Corp. (C)	6.250	08-15-24	495,000	518,522
NRG Energy, Inc. (C)	5.250	06-15-29	115,000	121,158
NRG Energy, Inc.	7.250	05-15-26	263,000	283,940
Oasis Petroleum, Inc.	6.875	03-15-22	387,000	385,200
Oasis Petroleum, Inc.	6.875	01-15-23	81,000	79,684
Parsley Energy LLC (C)	5.375	01-15-25	302,000	305,793
Parsley Energy LLC (C)	5.625	10-15-27	45,000	46,463
Pitney Bowes, Inc.	3.875	10-01-21	43,000	41,826
Post Holdings, Inc. (C)	5.000	08-15-26	424,000	433,010
Qwest Capital Funding, Inc.	6.875	07-15-28	254,000	233,045
Qwest Capital Funding, Inc.	7.750	02-15-31	254,000	234,950
SM Energy Company	6.750	09-15-26	429,000	386,100
Sprint Corp.	7.625	02-15-25	490,000	542,690
Sprint Corp.	7.875	09-15-23	382,000	424,498
Staples, Inc. (C)	7.500	04-15-26	413,000	422,293
Steel Dynamics, Inc.	4.125	09-15-25	255,000	256,048
Steel Dynamics, Inc.	5.000	12-15-26	248,000	259,160
SunCoke Energy Partners LP (C)	7.500	06-15-25	305,000	302,316
Tenet Healthcare Corp.	4.500	04-01-21	131,000	133,129
Tenet Healthcare Corp.	4.625	07-15-24	451,000	459,456
Tennant Company	5.625	05-01-25	317,000	328,888
The Goodyear Tire & Rubber Company	5.000	05-31-26	305,000	304,283
T-Mobile USA, Inc.	6.500	01-15-26	446,000	474,856
USA Compression Partners LP (C)	6.875	09-01-27	227,000	236,060
Versum Materials, Inc. (C)	5.500	09-30-24	255,000	272,850
Viking Cruises, Ltd. (C)	6.250	05-15-25	433,000	445,990
Vistra Operations Company LLC (C)	5.625	02-15-27	280,000	295,400
Western Midstream Operating LP	4.500	03-01-28	48,000	47,780
Western Midstream Operating LP	4.750	08-15-28	123,000	123,442
WMG Acquisition Corp. (C)	3.625	10-15-26	EUR 183,000	216,623
WMG Acquisition Corp. (C)	5.500	04-15-26	114,000	117,990
WPX Energy, Inc.	8.250	08-01-23	711,000	799,875
Wyndham Destinations, Inc.	4.500	04-01-27	344,000	365,930
Wyndham Destinations, Inc.	5.100	10-01-25	239,000	261,657
ZF North America Capital, Inc. (C)	4.750	04-29-25	375,000	387,691
Convertible bonds 0.0%				\$110,872
(Cost \$114,286)				
Italy 0.0%				110,872
Telecom Italia SpA	1.125	03-26-22	EUR 100,000	110,872

	Shares	Value
Common stocks 12.8%		\$105,187,972
(Cost \$93,071,758)		
Belgium 0.0%		288,651
Umicore SA	9,221	288,651
Canada 0.1%		743,304
Alimentation Couche-Tard, Inc., Class B	5,630	345,103
Restaurant Brands International, Inc.	5,403	398,201
China 0.0%		253,626
Tianhe Chemicals Group, Ltd. (C)(E)(F)	4,848,409	253,626
Denmark 0.2%		1,941,940
Coloplast A/S, B Shares	6,403	747,843
Novo Nordisk A/S, B Shares	24,867	1,194,097
Finland 0.2%		1,769,431
Kesko OYJ, B Shares	5,658	342,637
Kone OYJ, B Shares	14,126	804,809
Nordea Bank ABP	55,788	357,895
Sampo OYJ, A Shares	6,360	264,090
France 1.2%		9,884,961
Airbus SE	7,070	999,424
AXA SA	50,767	1,278,735
Cie Generale des Etablissements Michelin SCA	5,821	643,498
LVMH Moet Hennessy Louis Vuitton SE	2,880	1,189,614
Orange SA	52,399	776,685
Thales SA	2,958	333,290
TOTAL SA	80,170	4,155,236
Vivendi SA	18,307	508,479
Germany 0.6%		4,840,224
Allianz SE	2,604	604,153
Bayer AG	12,266	794,459
Covestro AG (C)	6,825	307,816
Deutsche Post AG	19,747	642,303
RWE AG	23,123	624,759
Siemens AG	9,662	1,051,550
TUI AG	22,556	223,969
Vonovia SE	12,109	591,215
Hong Kong 0.0%		0
China Metal Recycling Holdings, Ltd. (E)(F)	1,799,400	0
Ireland 0.2%		1,757,314
Allegion PLC	3,299	341,578
CRH PLC	14,653	487,659

	Shares	Value
Ireland (continued)		
Flutter Entertainment PLC	4,441	\$350,783
Medtronic PLC	3,330	339,460
Ryanair Holdings PLC, ADR (F)	3,828	237,834
Israel 0.0%		223,124
Nice, Ltd., ADR (F)	1,461	223,124
Italy 0.6%		4,859,885
Enel SpA	196,825	1,346,410
Eni SpA	165,193	2,580,536
FinecoBank Banca Fineco SpA	27,333	271,909
Mediobanca Banca di Credito Finanziario SpA	65,997	661,030
Netherlands 0.8%		6,710,662
Akzo Nobel NV	7,986	753,516
ASML Holding NV	5,859	1,305,530
Koninklijke KPN NV	171,182	488,118
Royal Dutch Shell PLC, A Shares	48,577	1,529,958
Royal Dutch Shell PLC, A Shares (London Stock Exchange)	83,928	2,633,540
Norway 0.2%		1,725,777
DNB ASA	32,982	590,068
Mowi ASA	13,055	313,749
Storebrand ASA	30,470	205,905
Telenor ASA	30,403	616,055
Portugal 0.1%		312,001
Galp Energia SGPS SA	20,041	312,001
Spain 0.6%		4,520,966
Amadeus IT Group SA	4,580	357,914
Bankinter SA	118,699	769,972
Industria de Diseno Textil SA	19,314	577,921
Repsol SA	177,491	2,815,159
Sweden 0.4%		2,995,707
Assa Abloy AB, B Shares	24,114	553,106
Atlas Copco AB, A Shares	17,008	519,495
Essity AB, B Shares	25,526	758,201
Swedish Match AB	11,815	450,790
Volvo AB, B Shares	48,072	714,115
Switzerland 1.2%		9,707,713
Nestle SA	25,554	2,710,952
Novartis AG	19,244	1,764,653
Partners Group Holding AG	1,094	870,048
Roche Holding AG	7,036	1,883,292

	Shares	Value
Switzerland (continued)		
Swiss Re AG	6,966	\$674,566
Zurich Insurance Group AG	5,187	1,804,202
United Kingdom 2.3%		18,901,787
Anglo American PLC	20,850	510,917
AstraZeneca PLC	4,022	347,477
BAE Systems PLC	109,485	727,390
Barratt Developments PLC	48,010	374,826
Bellway PLC	7,414	267,242
BP PLC	670,832	4,438,731
British American Tobacco PLC	32,363	1,153,178
Dixons Carphone PLC	91,999	133,330
DS Smith PLC	74,500	321,328
GlaxoSmithKline PLC	55,687	1,151,660
HSBC Holdings PLC	172,420	1,380,825
Imperial Brands PLC	25,357	643,563
Inchcape PLC	30,708	232,639
Johnson Matthey PLC	9,203	358,843
National Grid PLC	81,761	837,992
Phoenix Group Holdings PLC	89,818	755,494
Prudential PLC	33,055	680,082
Reckitt Benckiser Group PLC	4,173	322,587
RELX PLC	31,768	753,484
Rio Tinto PLC	16,167	912,975
Standard Chartered PLC	78,835	648,790
The Royal Bank of Scotland Group PLC	89,558	235,945
Unilever NV	17,628	1,021,786
Vodafone Group PLC	379,510	690,703
United States 4.1%		33,750,899
Adobe, Inc. (F)	1,538	459,647
Allergan PLC	1,626	260,973
Alphabet, Inc., Class A (F)	295	359,369
Alphabet, Inc., Class C (F)	571	694,724
Amazon.com, Inc. (F)	405	756,046
American Tower Corp.	3,026	640,362
Anthem, Inc.	961	283,120
Apple, Inc.	4,382	933,541
Bank of America Corp.	20,790	637,837
Baxter International, Inc.	6,280	527,332
Booking Holdings, Inc. (F)	217	409,394
Boston Scientific Corp. (F)	13,394	568,709
Bristol-Myers Squibb Company	7,516	333,786
Broadcom, Inc.	1,463	424,255
Burlington Stores, Inc. (F)	2,154	389,336

	Shares	Value
United States (continued)		
CDW Corp.	1,692	\$199,927
Celanese Corp.	2,272	254,850
Chevron Corp.	25,791	3,175,130
Cisco Systems, Inc.	9,255	512,727
Citigroup, Inc.	5,106	363,343
CMS Energy Corp.	13,222	769,785
Comcast Corp., Class A	11,813	509,967
Constellation Brands, Inc., Class A	1,911	376,123
Deere & Company	2,655	439,801
Dollar Tree, Inc. (F)	3,347	340,557
Electronic Arts, Inc. (F)	1,898	175,565
Eli Lilly & Company	3,515	382,959
Equinix, Inc.	827	415,237
Exxon Mobil Corp.	35,110	2,610,780
Facebook, Inc., Class A (F)	1,921	373,116
First Republic Bank	4,205	417,809
Fiserv, Inc. (F)	3,510	370,059
FLIR Systems, Inc.	6,072	301,536
Hanesbrands, Inc.	8,115	130,570
Honeywell International, Inc.	1,944	335,262
Intercontinental Exchange, Inc.	5,027	441,672
Johnson & Johnson	4,539	591,069
Kansas City Southern	2,439	301,802
L3Harris Technologies, Inc.	1,230	255,348
Lear Corp.	940	119,173
Marathon Oil Corp.	15,512	218,254
Marvell Technology Group, Ltd.	15,996	420,055
Mastercard, Inc., Class A	3,599	979,900
McDonald's Corp.	2,452	516,685
Microsoft Corp.	12,299	1,675,985
Mondelez International, Inc., Class A	6,279	335,864
Netflix, Inc. (F)	1,235	398,893
NextEra Energy, Inc.	2,973	615,916
Occidental Petroleum Corp.	51,780	2,659,421
Philip Morris International, Inc.	4,311	360,443
Raytheon Company	1,434	261,404
Schlumberger, Ltd.	5,378	214,959
Service Corp. International	3,193	147,325
Steel Dynamics, Inc.	3,858	121,566
The Charles Schwab Corp.	8,912	385,177
The Home Depot, Inc.	2,220	474,392
The TJX Companies, Inc.	4,679	255,286
UnitedHealth Group, Inc.	3,128	778,903
Verizon Communications, Inc.	8,039	444,316

	Shares	Value
United States (continued)		
Wells Fargo & Company	7,769	\$376,097
Yum! Brands, Inc.	2,377	267,460

	Contracts/Notional amount	Value
Purchased options 0.8%		\$6,287,684

(Cost \$6,373,114)

Calls 0.4%		3,325,576
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Exchange Traded Option on FTSE 100 Index (Expiration Date: 12-20-19; Strike Price: GBP 7,600.00; Notional Amount: 6,580) (F)	658	1,408,342
Exchange Traded Option on FTSE 100 Index (Expiration Date: 3-20-20; Strike Price: GBP 7,800.00; Notional Amount: 6,610) (F)	661	980,688
Exchange Traded Option on S&P 500 Index (Expiration Date: 9-20-19; Strike Price: \$2,970.00; Notional Amount: 7,000) (F)	70	453,600
Exchange Traded Option on S&P 500 Index (Expiration Date: 9-20-19; Strike Price: \$3,005.00; Notional Amount: 4,800) (F)	48	216,000
Exchange Traded Option on S&P 500 Index (Expiration Date: 9-20-19; Strike Price: \$3,010.00; Notional Amount: 4,800) (F)	48	201,120
Over the Counter Option on Swiss Market Index (Expiration Date: 9-23-19; Strike Price: CHF 9,930.59 Counterparty: UBS AG) (F)(G)	450	65,826

Puts 0.4%		2,962,108
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Exchange Traded Option on NASDAQ 100 Stock Index (Expiration Date: 9-20-19; Strike Price: \$7,800.00; Notional Amount: 2,400) (F)	24	405,840
Exchange Traded Option on NASDAQ 100 Stock Index (Expiration Date: 9-20-19; Strike Price: \$7,950.00; Notional Amount: 3,500) (F)	35	812,525
Over the Counter Option on Swiss Market Index (Expiration Date: 9-23-19; Strike Price: CHF 9,797.05; Counterparty: BNP Paribas SA) (F)(G)	1,350	168,701
Over the Counter Option on the EUR vs. USD (Expiration Date: 4-8-20; Strike Price: EUR 1.12; Counterparty: Deutsche Bank AG) (F)(G)	93,020,000	1,575,042

	Yield* (%)	Maturity date	Par value^	Value
Short-term investments 40.0%				\$327,869,545

(Cost \$327,869,422)

Certificate of deposit 1.8%				15,000,000
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Nationwide Building Society	2.400	08-05-19	15,000,000	15,000,000
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Commercial paper 3.7%				29,983,706
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Bank of China, Ltd.	2.490	08-22-19	10,000,000	9,984,928
Swedbank AB	2.573	08-01-19	20,000,000	19,998,778

Time deposits 20.8%				171,064,492
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Bank of Montreal	2.430	08-07-19	25,220,747	25,220,747
BNP Paribas SA	2.320	08-01-19	30,205,563	30,205,563
DZ Bank AG	2.380	08-01-19	32,696,737	32,696,737
ING Bank NV	2.300	08-01-19	519,403	519,403
KBC Bank NV	2.370	08-01-19	31,142,071	31,142,071
Natixis SA	2.350	08-01-19	31,003,076	31,003,076

	Yield* (%)	Maturity date	Par value^	Value
Time deposits (continued)				
Sumitomo Mitsui Financial Group, Inc.	2.450	08-19-19	20,276,895	\$20,276,895
U.S. Government 3.1%				25,201,507
U.S. Treasury Bill (A)	1.960	10-24-19	15,000,000	14,929,090
U.S. Treasury Bill (A)	2.420	09-12-19	10,295,700	10,272,417
		Yield (%)	Shares	Value
Money market funds 10.6%				86,619,840
Federated Government Obligations Fund, Institutional Class		2.2100(H)	86,619,840	86,619,840
Total investments (Cost \$763,822,961) 97.0%				\$795,504,428
Other assets and liabilities, net 3.0%				24,995,308
Total net assets 100.0%				\$820,499,736

The percentage shown for each investment category is the total value of the category as a percentage of the net assets of the fund.

^All par values are denominated in U.S. dollars unless otherwise indicated.

Currency Abbreviations

ARS	Argentine Peso
BRL	Brazilian Real
CHF	Swiss Franc
CLP	Chilean Peso
COP	Colombian Peso
CRC	Costa Rican Colon
CZK	Czech Republic Koruna
EUR	Euro
GBP	Pound Sterling
HUF	Hungarian Forint
IDR	Indonesian Rupiah
MXN	Mexican Peso
MYR	Malaysian Ringgit
PEN	Peruvian Nuevo Sol
PHP	Philippine Peso
PLN	Polish Zloty
RON	Romanian New Leu
THB	Thai Bhat
TRY	Turkish Lira
UYU	Uruguayan Peso
ZAR	South African Rand

Security Abbreviations and Legend

ADR	American Depositary Receipt
EURIBOR	Euro Interbank Offered Rate
LIBOR	London Interbank Offered Rate
(A)	All or a portion of this security is segregated at the custodian as collateral for certain derivatives.
(B)	Variable rate obligation. The coupon rate shown represents the rate at period end.

- (C) These securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to \$101,212,347 or 12.3% of the fund's net assets as of 7-31-19.
- (D) Perpetual bonds have no stated maturity date. Date shown as maturity date is next call date.
- (E) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (F) Non-income producing security.
- (G) For this type of option, notional amounts are equivalent to number of contracts.
- (H) The rate shown is the annualized seven-day yield as of 7-31-19.
- * Yield represents either the annualized yield at the date of purchase, the stated coupon rate or, for floating rate securities, the rate at period end.

DERIVATIVES

FUTURES

Open contracts	Number of contracts	Position	Expiration date	Notional basis [^]	Notional value [^]	Unrealized appreciation (depreciation)
Mini MSCI Emerging Markets Index Futures	338	Long	Sep 2019	\$17,819,505	\$17,327,570	\$(491,935)
NASDAQ 100 Index E-Mini Futures	28	Long	Sep 2019	4,352,179	4,401,180	49,001
S&P 500 Index E-Mini Futures	211	Long	Sep 2019	30,532,941	31,433,725	900,784
30-Year U.S. Treasury Bond Futures	151	Short	Sep 2019	(23,190,472)	(23,499,375)	(308,903)
Euro STOXX 50 Index Futures	774	Short	Sep 2019	(29,064,240)	(29,526,026)	(461,786)
Euro-BUND Futures	961	Short	Sep 2019	(182,006,926)	(186,319,149)	(4,312,223)
FTSE 100 Index Futures	237	Short	Sep 2019	(21,317,513)	(21,647,902)	(330,389)
OMXS30 Index Futures	271	Short	Aug 2019	(4,569,353)	(4,469,076)	100,277
Ultra U.S. Treasury Bond Futures	76	Short	Sep 2019	(13,263,193)	(13,485,250)	(222,057)
						\$(5,077,231)

[^] Notional basis refers to the contractual amount agreed upon at inception of open contracts; notional value represents the current value of the open contract.

FORWARD FOREIGN CURRENCY CONTRACTS

Contract to buy		Contract to sell		Counterparty (OTC)	Contractual settlement date	Unrealized appreciation	Unrealized depreciation
ARS	13,800,000	USD	310,574	BARC	8/30/2019	—	\$(8,786)
ARS	36,470,000	USD	809,451	NWM	8/30/2019	—	(11,898)
AUD	32,700,000	USD	22,515,683	NWM	8/22/2019	—	(136,146)
BRL	4,390,000	USD	1,166,312	HSBC	8/30/2019	—	(18,245)
CAD	6,860,000	JPY	557,067,329	HSBC	8/14/2019	\$73,779	—
CAD	13,140,000	JPY	1,066,746,853	HSBC	8/19/2019	141,260	—
CAD	143,553	USD	107,999	BNP	9/20/2019	875	—
CHF	28,200,000	USD	29,070,307	NWM	8/29/2019	—	(643,211)
CHF	3,485,391	USD	3,530,623	BNP	9/16/2019	—	(10,764)
CHF	2,284,230	USD	2,319,800	MLI	9/20/2019	—	(12,036)
CHF	651,849	USD	664,479	MSI	9/20/2019	—	(5,914)
CHF	4,757,724	USD	4,853,196	UBS	9/20/2019	—	(46,455)
CLP	835,000,000	USD	1,228,176	BARC	8/30/2019	—	(41,964)
CNY	36,000,000	USD	5,212,104	HSBC	8/23/2019	5,516	—
CZK	221,560,000	USD	9,725,796	JPM	8/30/2019	—	(180,520)
DKK	4,933,098	USD	750,645	MLI	9/16/2019	—	(16,446)
DKK	7,558,910	USD	1,147,443	BNP	9/20/2019	—	(22,071)
EUR	100,033	USD	112,000	UBS	8/2/2019	—	(1,264)
EUR	3,000,000	USD	3,377,947	MLI	8/15/2019	—	(53,281)
EUR	31,800,000	USD	36,326,666	GSI	8/29/2019	—	(1,043,454)
EUR	5,700,000	USD	6,476,426	NWM	9/6/2019	—	(147,927)
EUR	3,100,000	USD	3,509,398	MLI	9/12/2019	—	(65,922)
EUR	7,382,531	USD	8,383,959	BARC	9/16/2019	—	(180,816)
EUR	46,421	USD	52,740	CITI	9/16/2019	—	(1,159)

FORWARD FOREIGN CURRENCY CONTRACTS (continued)

Contract to buy		Contract to sell		Counterparty (OTC)	Contractual settlement date	Unrealized appreciation	Unrealized depreciation
EUR	487,213	USD	553,054	JPM	9/16/2019	—	\$(11,684)
EUR	12,696,810	USD	14,350,917	MSI	9/16/2019	—	(242,780)
EUR	43,372	USD	49,739	BNP	9/20/2019	—	(1,531)
EUR	351,541	USD	398,348	BARC	9/20/2019	—	(7,606)
EUR	11,206,905	USD	12,696,386	MSI	9/20/2019	—	(239,763)
EUR	1,688,622	USD	1,921,943	UBS	9/20/2019	—	(45,017)
EUR	2,700,000	USD	3,050,166	RBCD	9/23/2019	—	(48,357)
GBP	429,445	USD	538,823	BARC	9/16/2019	—	(15,381)
GBP	2,004,077	USD	2,515,429	JPM	9/16/2019	—	(72,697)
GBP	5,086,148	USD	6,462,811	NWM	9/16/2019	—	(263,401)
GBP	26,625	USD	33,883	SG	9/16/2019	—	(1,430)
GBP	948,006	USD	1,206,338	BNP	9/20/2019	—	(50,608)
GBP	7,478,297	USD	9,403,532	DB	9/20/2019	—	(286,615)
GBP	272,989	USD	343,212	MSI	9/20/2019	—	(10,407)
GBP	493,134	USD	630,841	SG	9/20/2019	—	(29,653)
GBP	2,600,000	USD	3,243,685	CITI	9/23/2019	—	(73,521)
HUF	546,000,000	USD	1,881,087	JPM	8/30/2019	—	(24,586)
IDR	13,200,000,000	USD	903,831	DB	8/15/2019	\$33,765	—
IDR	33,800,000,000	USD	2,298,382	JPM	8/15/2019	102,432	—
INR	420,000,000	USD	5,983,844	BNP	8/14/2019	101,804	—
INR	1,960,000,000	USD	27,781,715	CITI	8/29/2019	499,352	—
INR	196,800,000	USD	2,846,646	MSI	8/30/2019	—	(7,790)
INR	1,170,000,000	USD	16,754,976	BNP	9/23/2019	66,291	—
INR	1,190,000,000	USD	16,945,532	NWM	9/23/2019	163,279	—
JPY	561,364,090	CAD	6,860,000	CITI	8/14/2019	—	(34,246)
JPY	961,097,303	CAD	11,858,000	JPM	8/19/2019	—	(141,954)
JPY	999,742,728	CAD	12,342,000	MLI	8/19/2019	—	(153,114)
JPY	1,213,884,150	CAD	15,000,000	BNP	8/27/2019	—	(191,877)
JPY	1,416,922,500	CAD	17,500,000	NWM	8/27/2019	—	(217,185)
JPY	1,416,360,750	CAD	17,500,000	UBS	8/27/2019	—	(222,359)
JPY	2,620,000,000	USD	24,450,037	UBS	9/12/2019	—	(290,588)
KRW	20,400,000,000	USD	17,539,712	BNP	8/9/2019	—	(310,260)
KRW	27,300,000,000	USD	23,261,957	HSBC	8/9/2019	—	(204,896)
KZT	356,400,000	USD	922,594	NWM	8/29/2019	—	(386)
MXN	33,000,000	USD	1,709,975	RBCD	8/15/2019	8,064	—
MXN	10,000,000	USD	522,935	GSI	8/30/2019	—	(3,703)
MXN	270,000,000	USD	13,988,491	BARC	9/17/2019	—	(9,416)
MXN	11,731,859	USD	603,635	HSBC	9/17/2019	3,775	—
MXN	328,687,169	USD	16,907,423	CITI	9/18/2019	107,463	—
MXN	179,000,000	USD	9,179,686	BARC	9/19/2019	85,004	—
MXN	161,000,000	USD	8,275,453	HSBC	9/19/2019	57,593	—
MXN	112,706,198	USD	5,814,535	JPM	9/19/2019	18,917	—

FORWARD FOREIGN CURRENCY CONTRACTS (continued)

				Contractual settlement date	Unrealized appreciation	Unrealized depreciation	
Contract to buy		Contract to sell		Counterparty (OTC)			
MXN	33,580,972	USD	1,727,267	MLI	9/19/2019	\$10,818	—
MYR	15,000,000	USD	3,592,202	MSI	8/15/2019	40,553	—
NOK	379,000,000	EUR	39,110,158	DB	8/30/2019	—	\$(568,269)
NOK	4,748,532	USD	550,462	JPM	9/20/2019	—	(13,564)
NOK	7,890,287	USD	924,163	NWM	9/20/2019	—	(32,039)
PLN	2,000,000	USD	528,490	DB	8/30/2019	—	(12,115)
PLN	5,009,617	USD	1,320,829	GSI	8/30/2019	—	(27,407)
RUB	182,000,000	USD	2,746,009	BARC	8/15/2019	107,380	—
RUB	108,000,000	USD	1,657,586	NWM	8/15/2019	35,634	—
RUB	499,152,777	USD	7,887,527	UBS	8/30/2019	—	(81,163)
SEK	12,113,036	USD	1,291,399	JPM	9/16/2019	—	(33,275)
SEK	32,436,005	USD	3,446,109	JPM	9/20/2019	—	(76,177)
SEK	18,473,662	USD	1,978,399	NWM	9/20/2019	—	(59,082)
TRY	4,140,000	USD	710,665	DB	8/29/2019	22,396	—
TWD	332,000,000	USD	10,688,335	SG	8/8/2019	—	(12,201)
TWD	83,000,000	USD	2,673,281	UBS	8/8/2019	—	(4,247)
USD	1,114,140	ARS	50,270,000	NWM	8/30/2019	14,799	—
USD	7,945,462	AUD	11,445,000	CITI	8/22/2019	112,624	—
USD	6,808,405	AUD	9,810,000	JPM	8/22/2019	94,544	—
USD	7,945,039	AUD	11,445,000	NWM	8/22/2019	112,201	—
USD	25,917,648	AUD	37,010,000	HSBC	8/30/2019	580,398	—
USD	337,947	CAD	449,314	MLI	9/20/2019	—	(2,821)
USD	28,233,881	CHF	28,200,000	CITI	8/29/2019	—	(193,215)
USD	18,235,692	CHF	17,972,569	DB	9/16/2019	85,389	—
USD	2,382,930	CHF	2,341,555	GSI	9/16/2019	18,219	—
USD	98,247	CHF	96,483	NWM	9/16/2019	810	—
USD	5,205,170	CNY	36,000,000	BARC	8/23/2019	—	(12,450)
USD	2,705,316	DKK	17,828,536	DB	9/16/2019	51,873	—
USD	20,435	DKK	133,959	JPM	9/16/2019	498	—
USD	1,505,286	DKK	9,871,067	CITI	9/20/2019	35,679	—
USD	3,370,968	EUR	3,000,000	MLI	8/15/2019	46,302	—
USD	13,353,955	EUR	11,881,800	BNP	8/29/2019	170,682	—
USD	22,801,571	EUR	20,318,200	DB	8/29/2019	257,818	—
USD	2,562,927	EUR	2,294,219	DB	8/30/2019	17,196	—
USD	3,960,136	EUR	3,460,000	DB	9/6/2019	118,627	—
USD	28,214,107	EUR	25,090,000	NWM	9/6/2019	357,612	—
USD	2,611,041	EUR	2,300,000	MLI	9/12/2019	56,203	—
USD	2,273,646	EUR	2,000,000	RBCD	9/12/2019	52,049	—
USD	57,422,011	EUR	50,692,823	DB	9/16/2019	1,094,380	—
USD	173,994	EUR	153,030	JPM	9/16/2019	3,955	—
USD	235,591	EUR	206,921	NWM	9/16/2019	5,669	—
USD	112,980	EUR	100,960	CITI	9/20/2019	762	—

FORWARD FOREIGN CURRENCY CONTRACTS (continued)

Contract to buy		Contract to sell		Counterparty (OTC)	Contractual settlement date	Unrealized appreciation	Unrealized depreciation
USD	130,811	EUR	117,000	MLI	9/20/2019	\$764	—
USD	112,434	EUR	100,033	UBS	9/20/2019	1,246	—
USD	3,291,854	EUR	2,900,000	BNP	9/23/2019	67,689	—
USD	6,647,179	EUR	5,800,000	MLI	9/23/2019	198,849	—
USD	2,930,400	EUR	2,600,000	RBCD	9/23/2019	39,769	—
USD	86,281,527	EUR	75,933,000	SG	9/23/2019	1,860,658	—
USD	175,433	GBP	137,625	CITI	9/16/2019	7,684	—
USD	39,059,699	GBP	30,635,971	MLI	9/16/2019	1,718,093	—
USD	201,425	GBP	160,000	BNP	9/20/2019	6,366	—
USD	10,886,716	GBP	8,610,000	CITI	9/23/2019	388,598	—
USD	3,968,457	HKD	31,000,000	HSBC	9/23/2019	6,930	—
USD	1,901,833	HUF	550,000,000	CITI	8/30/2019	31,731	—
USD	3,220,391	IDR	47,000,000,000	DB	8/15/2019	—	\$(118,019)
USD	5,959,027	INR	420,000,000	NWM	8/14/2019	—	(126,620)
USD	39,818	JPY	4,296,761	HSBC	8/14/2019	285	—
USD	24,313,514	JPY	2,620,000,000	NWM	9/12/2019	154,065	—
USD	25,941,115	KRW	30,300,000,000	BARC	8/9/2019	350,310	—
USD	15,050,862	KRW	17,400,000,000	CITI	8/9/2019	355,152	—
USD	27,672,319	KRW	32,800,000,000	HSBC	8/22/2019	10,046	—
USD	5,674,330	KRW	6,700,000,000	BNP	8/30/2019	28,830	—
USD	27,894,003	KRW	32,800,000,000	MLI	9/18/2019	247,309	—
USD	2,167,073	KRW	2,500,000,000	SG	9/23/2019	59,515	—
USD	12,695,130	KRW	14,980,000,000	DB	10/18/2019	55,516	—
USD	12,745,889	KRW	15,000,000,000	MLI	10/18/2019	89,399	—
USD	1,696,741	MXN	33,000,000	BNP	8/15/2019	—	(21,298)
USD	3,350,997	MXN	64,290,750	HSBC	8/30/2019	12,812	—
USD	14,122,073	MXN	281,731,859	HSBC	9/17/2019	—	(464,412)
USD	16,496,795	MXN	328,687,169	MLI	9/18/2019	—	(518,091)
USD	2,632,266	MXN	51,200,000	DB	9/19/2019	—	(17,746)
USD	2,030,572	MXN	39,500,000	GSI	9/19/2019	—	(13,871)
USD	19,242,262	MXN	384,887,169	MLI	9/19/2019	—	(678,747)
USD	549,769	MXN	10,700,000	SG	9/19/2019	—	(4,042)
USD	3,604,383	MYR	15,000,000	MSI	8/15/2019	—	(28,372)
USD	25,703,301	NOK	220,900,000	NWM	8/30/2019	740,151	—
USD	12,465	NOK	107,576	DB	9/16/2019	303	—
USD	447,963	NOK	3,786,788	CITI	9/20/2019	19,806	—
USD	507,479	NOK	4,304,933	JPM	9/20/2019	20,737	—
USD	2,260,534	NOK	19,511,561	SG	9/20/2019	54,436	—
USD	2,016,230	PEN	6,640,000	HSBC	8/28/2019	8,584	—
USD	2,389,004	PHP	122,400,000	BNP	8/30/2019	—	(11,569)
USD	4,386,251	RUB	290,000,000	NWM	8/15/2019	—	(160,359)
USD	35,831	SEK	335,794	MLI	9/16/2019	954	—

FORWARD FOREIGN CURRENCY CONTRACTS (continued)

	Contract to buy		Contract to sell	Counterparty (OTC)	Contractual settlement date	Unrealized appreciation	Unrealized depreciation
USD	11,376,120	SEK	106,490,244	MSI	9/16/2019	\$315,478	—
USD	13,145,266	TWD	415,000,000	BARC	8/8/2019	—	\$(199,901)
USD	13,167,497	TWD	415,000,000	BARC	8/14/2019	—	(176,855)
USD	13,168,333	TWD	415,000,000	BARC	8/20/2019	—	(175,204)
USD	13,150,932	TWD	415,000,000	BARC	8/29/2019	—	(191,382)
USD	25,807,075	TWD	801,000,000	MLI	8/30/2019	55,064	—
USD	2,677,199	TWD	83,000,000	UBS	8/30/2019	8,763	—
USD	6,831,185	ZAR	100,000,000	MLI	8/15/2019	—	(128,961)
USD	2,096,975	ZAR	29,490,000	MSI	8/30/2019	48,352	—
ZAR	100,000,000	USD	6,875,389	JPM	8/15/2019	84,757	—
						\$12,023,240	\$(10,024,564)

WRITTEN OPTIONS

Options on index

Counterparty (OTC)/ Exchange-traded	Name of issuer	Exercise price	Expiration date	Number of contracts	Notional amount	Premium	Value
Calls							
BNP	Swiss Market Index	CHF 9,797.05	Sep 2019	660	660	\$151,792	\$(150,837)
BNP	Swiss Market Index	CHF 9,797.05	Sep 2019	690	690	158,907	(157,693)
						\$310,699	\$(308,530)
Exchange-traded	NASDAQ 100 Stock Index	USD 7,800.00	Sep 2019	24	2,400	546,913	(538,080)
Exchange-traded	NASDAQ 100 Stock Index	USD 7,950.00	Sep 2019	35	3,500	709,382	(511,175)
						\$1,256,295	\$(1,049,255)
Puts							
UBS	Swiss Market Index	CHF 9,930.59	Sep 2019	450	450	\$72,768	\$(79,734)
						\$72,768	\$(79,734)
Exchange-traded	S&P 500 Index	USD 2,970.00	Sep 2019	70	7,000	458,364	(382,900)
Exchange-traded	S&P 500 Index	USD 3,005.00	Sep 2019	48	4,800	286,707	(289,680)
Exchange-traded	S&P 500 Index	USD 3,010.00	Sep 2019	48	4,800	292,707	(333,360)
						\$1,037,778	\$(1,005,940)
						\$2,677,540	\$(2,443,459)

SWAPS

Interest rate swaps

Counterparty (OTC)/ Centrally cleared	Notional amount	Currency	Payments made	Payments received	Fixed payment frequency	Floating payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
Centrally cleared	122,752,493	CAD	3 month CDOR	Fixed 1.837%	Semi-Annual	Semi-Annual	Jul 2022	—	\$190,277	\$190,277
Centrally cleared	61,646,829	CAD	3 month CDOR	Fixed 1.789%	Semi-Annual	Semi-Annual	Jul 2022	—	52,025	52,025
Centrally cleared	72,400,304	CAD	3 month CDOR	Fixed 1.805%	Semi-Annual	Semi-Annual	Jul 2022	—	78,385	78,385
Centrally cleared	36,200,374	CAD	3 month CDOR	Fixed 1.830%	Semi-Annual	Semi-Annual	Jul 2022	—	52,951	52,951
Centrally cleared	650,000,000	INR	1 day MIBOR	Fixed 7.253%	Semi-Annual	Semi-Annual	Oct 2023	—	730,557	730,557
Centrally cleared	325,000,000	INR	Fixed 7.253%	1 day MIBOR	Semi-Annual	Semi-Annual	Oct 2023	\$(189,060)	(176,219)	(365,279)
Centrally cleared	112,250,000	USD	3 month LIBOR	Fixed 2.505%	Semi-Annual	Quarterly	Mar 2024	—	4,184,276	4,184,276
Centrally cleared	37,390,080	USD	Fixed 2.505%	3 month LIBOR	Semi-Annual	Quarterly	Mar 2024	(1,026,656)	(367,112)	(1,393,768)
Centrally cleared	17,120,000	USD	Fixed 2.505%	3 month LIBOR	Semi-Annual	Quarterly	Mar 2024	(471,740)	(166,432)	(638,172)
Centrally cleared	17,976,000	USD	Fixed 2.505%	3 month LIBOR	Semi-Annual	Quarterly	Mar 2024	(489,900)	(180,181)	(670,081)
Centrally cleared	34,513,920	USD	Fixed 2.505%	3 month LIBOR	Semi-Annual	Quarterly	Mar 2024	(933,469)	(353,086)	(1,286,555)
Centrally cleared	269,400,000	USD	3 month LIBOR	Fixed 2.513%	Semi-Annual	Quarterly	Mar 2024	—	10,132,890	10,132,890
Centrally cleared	67,350,000	USD	3 month LIBOR	Fixed 2.498%	Semi-Annual	Quarterly	Mar 2024	—	2,489,427	2,489,427
Centrally cleared	71,100,000	USD	3 month LIBOR	Fixed 2.454%	Semi-Annual	Quarterly	Apr 2024	—	2,540,455	2,540,455
Centrally cleared	27,200,000	EUR	6 month EURIBOR	Fixed 1.616%	Annual	Semi-Annual	Apr 2039	—	2,066,886	2,066,886
Centrally cleared	21,600,000	EUR	6 month EURIBOR	Fixed 1.551%	Annual	Semi-Annual	May 2039	—	1,487,936	1,487,936
Centrally cleared	21,600,000	EUR	6 month EURIBOR	Fixed 1.544%	Annual	Semi-Annual	May 2039	—	1,471,530	1,471,530
Centrally cleared	57,720,000	USD	Fixed 2.834%	3 month LIBOR	Semi-Annual	Quarterly	Mar 2049	—	(9,109,844)	(9,109,844)
Centrally cleared	2,991,207	USD	3 month LIBOR	Fixed 2.834%	Semi-Annual	Quarterly	Mar 2049	312,726	159,371	472,097
Centrally cleared	1,369,600	USD	3 month LIBOR	Fixed 2.834%	Semi-Annual	Quarterly	Mar 2049	147,897	68,265	216,162
Centrally cleared	1,438,080	USD	3 month LIBOR	Fixed 2.834%	Semi-Annual	Quarterly	Mar 2049	153,945	73,025	226,970
Centrally cleared	2,761,113	USD	3 month LIBOR	Fixed 2.834%	Semi-Annual	Quarterly	Mar 2049	298,830	136,952	435,782
Centrally cleared	14,430,000	USD	Fixed 2.825%	3 month LIBOR	Semi-Annual	Quarterly	Mar 2049	—	(2,250,282)	(2,250,282)
Centrally cleared	14,500,000	USD	Fixed 2.777%	3 month LIBOR	Semi-Annual	Quarterly	Apr 2049	—	(2,104,495)	(2,104,495)
									\$(2,197,427)	\$11,207,557
										\$9,010,130

Credit default swaps - Buyer

Counterparty (OTC)/ Centrally cleared	Reference obligation	Notional amount	Currency	USD notional amount	Pay fixed rate	Fixed payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
Centrally cleared	CDX.NA.HY32	12,761,100	USD	\$ 12,761,100	5.000%	Quarterly	Jun 2024	\$ (719,950)	\$ (298,173)	\$ (1,018,123)
									\$(719,950)	\$(298,173)
										\$(1,018,123)

Credit default swaps - Seller

Counterparty (OTC)/ Centrally cleared	Reference obligation	Implied credit spread	Notional amount	Currency	USD notional amount	Received fixed rate	Fixed payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
Centrally cleared	CDX.NA.HY.32	3.252%	12,761,100	USD	\$ 12,761,100	5.000%	Quarterly	Jun 2024	\$ 788,404	\$ 229,719	\$ 1,018,123
Centrally cleared	CDX.NA.HY.32	3.252%	21,087,000	USD	21,087,000	5.000%	Quarterly	Jun 2024	1,293,721	388,670	1,682,391
Centrally cleared	CDX.NA.HY.32	3.252%	6,930,000	USD	6,930,000	5.000%	Quarterly	Jun 2024	432,760	120,139	552,899
Centrally cleared	iTraxx Europe Crossover Series 31 Version 1	2.527%	25,637,394	EUR	29,152,285	5.000%	Quarterly	Jun 2024	3,160,145	175,445	3,335,590
Centrally cleared	iTraxx Europe Crossover Series 31 Version 1	2.527%	5,762,606	EUR	6,552,660	5.000%	Quarterly	Jun 2024	726,048	23,704	749,752
Centrally cleared	iTraxx Europe Series 31 Version 1	0.521%	123,700,000	EUR	141,426,383	1.000%	Quarterly	Jun 2024	2,518,952	1,003,071	3,522,023
\$217,909,428									\$8,920,030	\$1,940,748	\$10,860,778

Inflation swaps

Counterparty (OTC)/ Centrally cleared	Notional amount	Currency	USD notional amount	Payments made	Payments received	Fixed payment frequency	Floating payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
Centrally cleared	16,550,000	GBP	\$20,917,594	GBP - Non-revised RPI	Fixed 3.665%	At Maturity	At Maturity	Dec 2028	—	\$22,558	\$22,558
Centrally cleared	3,972,000	GBP	5,020,222	GBP - Non-revised RPI	Fixed 3.683%	At Maturity	At Maturity	Dec 2028	—	16,490	16,490
Centrally cleared	7,944,000	GBP	10,040,445	GBP - Non-revised RPI	Fixed 3.683%	At Maturity	At Maturity	Dec 2028	—	32,980	32,980
Centrally cleared	16,550,000	GBP	20,872,746	GBP - Non-revised RPI	Fixed 3.685%	At Maturity	At Maturity	Dec 2028	—	75,306	75,306
Centrally cleared	3,972,000	GBP	5,038,499	GBP - Non-revised RPI	Fixed 3.683%	At Maturity	At Maturity	Dec 2028	\$(37,535)	21,045	(16,490)
Centrally cleared	7,944,000	GBP	10,076,998	GBP - Non-revised RPI	Fixed 3.683%	At Maturity	At Maturity	Dec 2028	(73,819)	40,839	(32,980)
Centrally cleared	16,550,000	GBP	20,993,746	GBP - Non-revised RPI	Fixed 3.685%	At Maturity	At Maturity	Dec 2028	(193,931)	118,625	(75,306)
Centrally cleared	12,774,000	GBP	16,269,503	GBP - Non-revised RPI	Fixed 3.594%	At Maturity	At Maturity	Jan 2029	—	(155,859)	(155,859)
Centrally cleared	1,730,000	GBP	2,208,943	GBP - Non-revised RPI	Fixed 3.595%	At Maturity	At Maturity	Jan 2029	—	(20,835)	(20,835)
Centrally cleared	5,540,000	GBP	7,136,049	GBP - Non-revised RPI	Fixed 3.593%	At Maturity	At Maturity	Jan 2029	—	(68,471)	(68,471)
Centrally cleared	5,540,000	GBP	7,136,049	GBP - Non-revised RPI	Fixed 3.585%	At Maturity	At Maturity	Jan 2029	—	(75,476)	(75,476)
Centrally cleared	5,540,000	GBP	7,259,100	GBP - Non-revised RPI	Fixed 3.490%	At Maturity	At Maturity	Jan 2029	—	(158,288)	(158,288)

Inflation swaps (continued)

Counterparty (OTC/ Centrally cleared)	Notional amount	Currency	USD notional amount	Payments made	Payments received	Fixed payment frequency	Floating payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
Centrally cleared	5,540,000	GBP	\$7,259,100	GBP - Non-revised RPI	Fixed 3.490%	At Maturity	At Maturity	Jan 2029	—	\$(158,288)	\$(158,288)
Centrally cleared	5,707,739	GBP	7,360,456	GBP - Non-revised RPI	Fixed 3.500%	At Maturity	At Maturity	Feb 2029	—	(173,618)	(173,618)
Centrally cleared	5,540,000	GBP	7,174,307	GBP - Non-revised RPI	Fixed 3.523%	At Maturity	At Maturity	Feb 2029	—	(148,962)	(148,962)
Centrally cleared	5,540,000	GBP	7,174,307	GBP - Non-revised RPI	Fixed 3.523%	At Maturity	At Maturity	Feb 2029	—	(148,962)	(148,962)
Centrally cleared	10,614,230	GBP	13,651,567	GBP - Non-revised RPI	Fixed 3.540%	At Maturity	At Maturity	Feb 2029	—	(256,211)	(256,211)
Centrally cleared	5,838,031	GBP	7,528,475	GBP - Non-revised RPI	Fixed 3.520%	At Maturity	At Maturity	Feb 2029	—	(159,267)	(159,267)
Centrally cleared	2,613,750	GBP	3,433,813	GBP - Non-revised RPI	Fixed 3.530%	At Maturity	At Maturity	Mar 2029	—	(86,064)	(86,064)
Centrally cleared	1,722,000	GBP	2,240,758	GBP - Non-revised RPI	Fixed 3.530%	At Maturity	At Maturity	Mar 2029	—	(56,701)	(56,701)
Centrally cleared	1,722,000	GBP	2,240,758	GBP - Non-revised RPI	Fixed 3.528%	At Maturity	At Maturity	Mar 2029	—	(57,377)	(57,377)
Centrally cleared	1,722,000	GBP	2,240,758	GBP - Non-revised RPI	Fixed 3.528%	At Maturity	At Maturity	Mar 2029	—	(57,377)	(57,377)
Centrally cleared	2,798,250	GBP	3,641,232	GBP - Non-revised RPI	Fixed 3.530%	At Maturity	At Maturity	Mar 2029	—	(92,139)	(92,139)
Centrally cleared	1,722,000	GBP	2,262,277	GBP - Non-revised RPI	Fixed 3.530%	At Maturity	At Maturity	Mar 2029	—	(56,701)	(56,701)
Centrally cleared	2,050,000	GBP	2,673,204	GBP - Non-revised RPI	Fixed 3.535%	At Maturity	At Maturity	Apr 2029	—	(66,510)	(66,510)
Centrally cleared	2,050,000	GBP	2,673,204	GBP - Non-revised RPI	Fixed 3.535%	At Maturity	At Maturity	Apr 2029	—	(66,510)	(66,510)
\$204,524,110									\$(305,285)	\$(1,735,773)	\$(2,041,058)

Variance swaps

Counterparty (OTC)	Reference entity	Currency	Notional amount	USD notional amount	Pay/ receive volatility	Volatility strike rate	Payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
BNP	Euro STOXX 50 Index	EUR	41,500	\$50,815	Receive	21.700%	At Maturity	Dec 2019	—	\$(301,026)	\$(301,026)
BNP	S&P 500 Index	USD	50,700	50,700	Pay	20.200%	At Maturity	Dec 2019	—	209,275	209,275
BNP	Euro STOXX 50 Index	EUR	54,500	66,733	Receive	22.500%	At Maturity	Dec 2019	—	(428,796)	(428,796)
BNP	S&P 500 Index	USD	68,400	68,400	Pay	20.750%	At Maturity	Dec 2019	—	311,641	311,641
BNP	Euro STOXX 50 Index	EUR	83,100	102,517	Receive	21.650%	At Maturity	Dec 2019	—	(601,702)	(601,702)
BNP	S&P 500 Index	USD	103,000	103,000	Pay	19.700%	At Maturity	Dec 2019	—	385,768	385,768

Variance swaps (continued)

Counterparty (OTC)	Reference entity	Currency	Notional amount	USD notional amount	Pay/ receive volatility	Volatility strike rate	Payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
BNP	Euro STOXX 50 Index	EUR	83,500	102,926	Receive	21.700%	At Maturity	Dec 2019	—	\$(606,156)	\$(606,156)
BNP	S&P 500 Index	USD	103,000	103,000	Pay	19.800%	At Maturity	Dec 2019	—	391,769	391,769
BNP	Euro STOXX 50 Index	EUR	84,800	104,579	Receive	22.700%	At Maturity	Dec 2019	—	(683,463)	(683,463)
BNP	S&P 500 Index	USD	105,000	105,000	Pay	21.000%	At Maturity	Dec 2019	—	502,134	502,134
BNP	Euro STOXX 50 Index	EUR	127,000	156,298	Receive	21.400%	At Maturity	Dec 2019	—	(894,529)	(894,529)
BNP	S&P 500 Index	USD	156,000	156,000	Pay	19.300%	At Maturity	Dec 2019	—	536,694	536,694
BNP	Euro STOXX 50 Index	EUR	79,900	98,836	Receive	21.600%	At Maturity	Dec 2019	—	(573,818)	(573,818)
BNP	S&P 500 Index	USD	99,600	99,600	Pay	19.500%	At Maturity	Dec 2019	—	355,809	355,809
JPM	Euro STOXX 50 Index	EUR	82,400	100,825	Receive	22.900%	At Maturity	Dec 2019	—	(674,938)	(674,938)
JPM	S&P 500 Index	USD	101,000	101,000	Pay	21.500%	At Maturity	Dec 2019	—	519,443	519,443
JPM	Euro STOXX 50 Index	EUR	83,300	101,926	Receive	23.200%	At Maturity	Dec 2019	—	(701,041)	(701,041)
JPM	S&P 500 Index	USD	102,000	102,000	Pay	21.700%	At Maturity	Dec 2019	—	539,875	539,875
JPM	Euro STOXX 50 Index	EUR	83,400	102,503	Receive	23.150%	At Maturity	Dec 2019	—	(699,673)	(699,673)
JPM	S&P 500 Index	USD	102,000	102,000	Pay	21.500%	At Maturity	Dec 2019	—	525,801	525,801
JPM	Euro STOXX 50 Index	EUR	41,700	51,251	Receive	23.050%	At Maturity	Dec 2019	—	(346,717)	(346,717)
JPM	S&P 500 Index	USD	51,400	51,400	Pay	21.500%	At Maturity	Dec 2019	—	264,963	264,963
JPM	Euro STOXX 50 Index	EUR	168,000	207,261	Receive	22.900%	At Maturity	Dec 2019	—	(1,379,559)	(1,379,559)
JPM	S&P 500 Index	USD	207,000	207,000	Pay	20.900%	At Maturity	Dec 2019	—	974,797	974,797
MSI	Euro STOXX 50 Index	EUR	65,900	81,067	Receive	21.500%	At Maturity	Dec 2019	—	(467,880)	(467,880)
MSI	S&P 500 Index	USD	81,500	81,500	Pay	19.400%	At Maturity	Dec 2019	—	283,440	283,440
\$2,658,137									—	\$(2,557,889)	\$(2,557,889)

Derivatives Currency Abbreviations

ARS	Argentine Peso
AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
CNY	Chinese Yuan Renminbi
CZK	Czech Republic Koruna
DKK	Danish Krone
EUR	Euro

GBP	Pound Sterling
HKD	Hong Kong Dollar
HUF	Hungarian Forint
IDR	Indonesian Rupiah
INR	Indian Rupee
JPY	Japanese Yen
KRW	Korean Won
KZT	Kazakhstan Tenge
MXN	Mexican Peso
MYR	Malaysian Ringgit
NOK	Norwegian Krone
PEN	Peruvian Nuevo Sol
PHP	Philippine Peso
PLN	Polish Zloty
RUB	Russian Ruble
SEK	Swedish Krona
TRY	Turkish Lira
TWD	New Taiwan Dollar
USD	U.S. Dollar
ZAR	South African Rand

Derivatives Abbreviations

BARC	Barclays Bank PLC
BNP	BNP Paribas
CDOR	Canadian Dollar Offered Rate
CITI	Citibank, N.A.
DB	Deutsche Bank AG
EURIBOR	Euro Interbank Offered Rate
GSI	Goldman Sachs International
HSBC	HSBC Bank PLC
JPM	JPMorgan Chase Bank, N.A.
LIBOR	London Interbank Offered Rate
MIBOR	Mumbai Interbank Offered Rate
MLI	Merrill Lynch International
MSI	Morgan Stanley & Co. International PLC
NWM	NatWest Markets PLC
OTC	Over-the-counter
RBCD	RBC Dominion Securities, Inc.
RPI	Retail Price Index
SG	Societe Generale
UBS	UBS AG

At 7-31-19, the aggregate cost of investments for federal income tax purposes was \$772,555,958. Net unrealized appreciation aggregated to \$31,680,294, of which \$48,985,377 related to gross unrealized appreciation and \$17,305,083 related to gross unrealized depreciation.

See Notes to financial statements regarding investment transactions and other derivatives information.

Financial statements

STATEMENT OF ASSETS AND LIABILITIES 7-31-19

Assets

Unaffiliated investments, at value (Cost \$763,822,961)	\$795,504,428
Swap contracts, at value	5,801,409
Receivable for centrally cleared swaps	339,834
Unrealized appreciation on forward foreign currency contracts	12,023,240
Cash	959
Foreign currency, at value (Cost \$183,696)	183,466
Collateral held at broker for futures contracts	9,543,479
Collateral segregated at custodian for OTC derivative contracts	17,246,484
Dividends and interest receivable	6,853,347
Receivable for fund shares sold	7,593,785
Receivable for investments sold	166,512
Other assets	130,348
Total assets	855,387,291

Liabilities

Unrealized depreciation on forward foreign currency contracts	10,024,564
Written options, at value (Premiums received \$2,677,540)	2,443,459
Swap contracts, at value	8,359,298
Payable for futures variation margin	1,343,411
Payable for investments purchased	1,623,638
Payable for fund shares repurchased	10,559,811
Payable to affiliates	
Accounting and legal services fees	81,817
Transfer agent fees	71,507
Distribution and service fees	144
Trustees' fees	2,912
Other liabilities and accrued expenses	376,994
Total liabilities	34,887,555

Net assets	\$820,499,736
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Net assets consist of

Paid-in capital	\$1,261,863,192
Total distributable earnings (loss)	(441,363,456)
Net assets	\$820,499,736

STATEMENT OF ASSETS AND LIABILITIES (continued)

Net asset value per share

Based on net asset value and shares outstanding - the fund has an unlimited number of shares authorized with no par value

Class A (\$51,043,583 ÷ 4,843,873 shares) ¹	\$10.54
Class C (\$52,422,427 ÷ 5,096,337 shares) ¹	\$10.29
Class I (\$534,889,936 ÷ 50,131,236 shares)	\$10.67
Class R2 (\$721,148 ÷ 68,745 shares)	\$10.49
Class R6 (\$149,873,458 ÷ 13,990,257 shares)	\$10.71
Class NAV (\$31,549,184 ÷ 2,945,066 shares)	\$10.71

Maximum offering price per share

Class A (net asset value per share ÷ 95%) ²	\$11.09
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¹ Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

² On single retail sales of less than \$50,000. On sales of \$50,000 or more and on group sales the offering price is reduced.

STATEMENT OF OPERATIONS For the year ended 7-31-19

Investment income	
Interest	\$54,233,746
Dividends	19,519,397
Less foreign taxes withheld	(1,423,598)
Total investment income	72,329,545
Expenses	
Investment management fees	24,154,803
Distribution and service fees	918,038
Accounting and legal services fees	362,402
Transfer agent fees	1,910,322
Trustees' fees	42,280
Custodian fees	654,756
State registration fees	110,237
Printing and postage	77,695
Professional fees	261,659
Other	181,162
Total expenses	28,673,354
Less expense reductions	(156,893)
Net expenses	28,516,461
Net investment income	43,813,084
Realized and unrealized gain (loss)	
Net realized gain (loss) on	
Unaffiliated investments and foreign currency transactions	(25,227,963)
Futures contracts	38,247,463
Forward foreign currency contracts	90,184,721
Written options	(56,754,007)
Swap contracts	8,901,318
	55,351,532
Change in net unrealized appreciation (depreciation) of	
Unaffiliated investments and translation of assets and liabilities in foreign currencies	(81,867,068)
Futures contracts	2,565,807
Forward foreign currency contracts	(28,284,274)
Written options	4,905,579
Swap contracts	11,371,193
	(91,308,763)
Net realized and unrealized loss	(35,957,231)
Increase in net assets from operations	\$7,855,853

STATEMENTS OF CHANGES IN NET ASSETS

	Year ended 7-31-19	Year ended 7-31-18
Increase (decrease) in net assets		
From operations		
Net investment income	\$43,813,084	\$78,343,833
Net realized gain	55,351,532	17,460,419
Change in net unrealized appreciation (depreciation)	(91,308,763)	(156,110,529)
Increase (decrease) in net assets resulting from operations	7,855,853	(60,306,277)
From fund share transactions	(2,996,015,289)	(1,598,894,831)
Total decrease	(2,988,159,436)	(1,659,201,108)
Net assets		
Beginning of year	3,808,659,172	5,467,860,280
End of year	\$820,499,736	\$3,808,659,172

Financial highlights

CLASS A SHARES Period ended	7-31-19	7-31-18	7-31-17	7-31-16	7-31-15
Per share operating performance					
Net asset value, beginning of period	\$10.12	\$10.30	\$9.94	\$11.27	\$11.25
Net investment income ¹	0.20	0.14	0.06	0.04	0.03
Net realized and unrealized gain (loss) on investments	0.22	(0.32)	0.30	(0.69)	0.53
Total from investment operations	0.42	(0.18)	0.36	(0.65)	0.56
Less distributions					
From net investment income	—	—	—	(0.68)	(0.54)
Net asset value, end of period	\$10.54	\$10.12	\$10.30	\$9.94	\$11.27
Total return (%)^{2,3}	4.15	(1.75)	3.62	(6.00)	5.15
Ratios and supplemental data					
Net assets, end of period (in millions)	\$51	\$114	\$194	\$1,047	\$1,080
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.69	1.65	1.65	1.64	1.67
Expenses including reductions	1.69	1.64	1.64	1.63	1.66
Net investment income	2.02	1.35	0.57	0.34	0.23
Portfolio turnover (%)	50	59	59	80	80

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

³ Does not reflect the effect of sales charges, if any.

CLASS C SHARES Period ended	7-31-19	7-31-18	7-31-17	7-31-16	7-31-15
Per share operating performance					
Net asset value, beginning of period	\$9.95	\$10.19	\$9.91	\$11.23	\$11.21
Net investment income (loss) ¹	0.13	0.06	— ²	(0.04)	(0.05)
Net realized and unrealized gain (loss) on investments	0.21	(0.30)	0.28	(0.67)	0.53
Total from investment operations	0.34	(0.24)	0.28	(0.71)	0.48
Less distributions					
From net investment income	—	—	—	(0.61)	(0.46)
Net asset value, end of period	\$10.29	\$9.95	\$10.19	\$9.91	\$11.23
Total return (%)^{3,4}	3.42	(2.36)	2.83	(6.61)	4.43
Ratios and supplemental data					
Net assets, end of period (in millions)	\$52	\$91	\$162	\$309	\$293
Ratios (as a percentage of average net assets):					
Expenses before reductions	2.39	2.35	2.35	2.34	2.37
Expenses including reductions	2.39	2.34	2.34	2.33	2.36
Net investment income (loss)	1.35	0.61	(0.05)	(0.35)	(0.45)
Portfolio turnover (%)	50	59	59	80	80

¹ Based on average daily shares outstanding.

² Less than \$0.005 per share.

³ Total returns would have been lower had certain expenses not been reduced during the applicable periods.

⁴ Does not reflect the effect of sales charges, if any.

CLASS I SHARES Period ended	7-31-19	7-31-18	7-31-17	7-31-16	7-31-15
Per share operating performance					
Net asset value, beginning of period	\$10.22	\$10.36	\$9.97	\$11.30	\$11.29
Net investment income ¹	0.22	0.17	0.10	0.07	0.06
Net realized and unrealized gain (loss) on investments	0.23	(0.31)	0.29	(0.68)	0.53
Total from investment operations	0.45	(0.14)	0.39	(0.61)	0.59
Less distributions					
From net investment income	—	—	—	(0.72)	(0.58)
Net asset value, end of period	\$10.67	\$10.22	\$10.36	\$9.97	\$11.30
Total return (%)²	4.40	(1.35)	3.91	(5.67)	5.38
Ratios and supplemental data					
Net assets, end of period (in millions)	\$535	\$2,413	\$3,481	\$5,316	\$5,093
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.41	1.35	1.33	1.32	1.36
Expenses including reductions	1.40	1.35	1.33	1.31	1.34
Net investment income	2.21	1.66	1.01	0.67	0.56
Portfolio turnover (%)	50	59	59	80	80

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

CLASS R2 SHARES Period ended	7-31-19	7-31-18	7-31-17	7-31-16	7-31-15
Per share operating performance					
Net asset value, beginning of period	\$10.08	\$10.27	\$9.92	\$11.25	\$11.24
Net investment income (loss) ¹	0.20	0.12	0.08	0.01	(0.01)
Net realized and unrealized gain (loss) on investments	0.21	(0.31)	0.27	(0.66)	0.53
Total from investment operations	0.41	(0.19)	0.35	(0.65)	0.52
Less distributions					
From net investment income	—	—	—	(0.68)	(0.51)
Net asset value, end of period	\$10.49	\$10.08	\$10.27	\$9.92	\$11.25
Total return (%)²	4.07	(1.85)	3.53	(6.08)	4.75
Ratios and supplemental data					
Net assets, end of period (in millions)	\$1	\$1	\$2	\$3	\$5
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.78	1.75	1.72	1.75	1.99
Expenses including reductions	1.77	1.74	1.71	1.74	1.97
Net investment income (loss)	1.99	1.17	0.78	0.09	(0.06)
Portfolio turnover (%)	50	59	59	80	80

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

CLASS R6 SHARES Period ended	7-31-19	7-31-18	7-31-17	7-31-16	7-31-15
Per share operating performance					
Net asset value, beginning of period	\$10.24	\$10.38	\$9.97	\$11.30	\$11.29
Net investment income ¹	0.24	0.19	0.11	0.09	0.09
Net realized and unrealized gain (loss) on investments	0.23	(0.33)	0.30	(0.69)	0.51
Total from investment operations	0.47	(0.14)	0.41	(0.60)	0.60
Less distributions					
From net investment income	—	—	—	(0.73)	(0.59)
Net asset value, end of period	\$10.71	\$10.24	\$10.38	\$9.97	\$11.30
Total return (%)²	4.59	(1.35)	4.11	(5.55)	5.51
Ratios and supplemental data					
Net assets, end of period (in millions)	\$150	\$546	\$693	\$639	\$557
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.29	1.26	1.24	1.23	1.26
Expenses including reductions	1.29	1.24	1.22	1.20	1.23
Net investment income	2.33	1.79	1.08	0.81	0.77
Portfolio turnover (%)	50	59	59	80	80

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

CLASS NAV SHARES Period ended	7-31-19	7-31-18	7-31-17	7-31-16	7-31-15
Per share operating performance					
Net asset value, beginning of period	\$10.23	\$10.37	\$9.96	\$11.29	\$11.28
Net investment income ¹	0.21	0.19	0.11	0.08	0.08
Net realized and unrealized gain (loss) on investments	0.27	(0.33)	0.30	(0.68)	0.52
Total from investment operations	0.48	(0.14)	0.41	(0.60)	0.60
Less distributions					
From net investment income	—	—	—	(0.73)	(0.59)
Net asset value, end of period	\$10.71	\$10.23	\$10.37	\$9.96	\$11.29
Total return (%)²	4.59	(1.35)	4.12	(5.56)	5.51
Ratios and supplemental data					
Net assets, end of period (in millions)	\$32	\$643	\$936	\$1,119	\$1,260
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.28	1.24	1.22	1.21	1.24
Expenses including reductions	1.27	1.23	1.22	1.20	1.23
Net investment income	2.07	1.81	1.12	0.75	0.68
Portfolio turnover (%)	50	59	59	80	80

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

Notes to financial statements

Note 1 — Organization

John Hancock Global Absolute Return Strategies Fund (the fund) is a series of John Hancock Funds II (the Trust), an open-end management investment company organized as a Massachusetts business trust and registered under the Investment Company Act of 1940, as amended (the 1940 Act). The investment objective of the fund is to seek long-term total return.

The fund may offer multiple classes of shares. The shares currently outstanding are detailed in the Statement of assets and liabilities. Class A and Class C shares are offered to all investors. Class I shares are offered to institutions and certain investors. Class R2 shares are available only to certain retirement and 529 plans. Class R6 shares are only available to certain retirement plans, institutions and other investors. Class NAV shares are offered to John Hancock affiliated funds of funds, retirement plans for employees of John Hancock and/or Manulife Financial Corporation, and certain 529 plans. Class C shares convert to Class A shares ten years after purchase (certain exclusions may apply). Shareholders of each class have exclusive voting rights to matters that affect that class. The distribution and service fees, if any, and transfer agent fees for each class may differ.

Note 2 — Significant accounting policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which require management to make certain estimates and assumptions as of the date of the financial statements. Actual results could differ from those estimates and those differences could be significant. The fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of US GAAP.

Events or transactions occurring after the end of the fiscal period through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the fund:

Security valuation. Investments are stated at value as of the scheduled close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. In case of emergency or other disruption resulting in the NYSE not opening for trading or the NYSE closing at a time other than the regularly scheduled close, the net asset value (NAV) may be determined as of the regularly scheduled close of the NYSE pursuant to the fund's Valuation Policies and Procedures.

In order to value the securities, the fund uses the following valuation techniques: Debt obligations are typically valued based on the evaluated prices provided by an independent pricing vendor. Independent pricing vendors utilize matrix pricing which takes into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data, as well as broker supplied prices. Equity securities, including exchange-traded or closed-end funds, are typically valued at the last sale price or official closing price on the exchange or principal market where the security trades. In the event there were no sales during the day or closing prices are not available, the securities are valued using the last available bid price. Investments by the fund in open-end mutual funds are valued at their respective NAVs each business day. Options listed on an exchange are valued at the mid-price of the last quoted bid and ask prices from the primary exchange where the option trades. Unlisted options are valued using evaluated prices obtained from an independent pricing vendor. Futures contracts are typically valued at last traded price on the exchange on which they trade. Foreign equity index futures that trade in the electronic trading market subsequent to the close of regular trading may be valued at the last traded price in the electronic trading market as of 4:00 P.M. ET, or may be fair valued based on fair value adjustment factors provided by an independent pricing vendor in order to adjust for events that may occur between the close of foreign exchanges or markets and the close of the NYSE. Swaps are generally valued using evaluated prices obtained from an independent pricing vendor. Forward foreign currency

contracts are valued at the prevailing forward rates which are based on foreign currency exchange spot rates and forward points supplied by an independent pricing vendor. Foreign securities and currencies are valued in U.S. dollars based on foreign currency exchange rates supplied by an independent pricing vendor.

In certain instances, the Pricing Committee may determine to value equity securities using prices obtained from another exchange or market if trading on the exchange or market on which prices are typically obtained did not open for trading as scheduled, or if trading closed earlier than scheduled, and trading occurred as normal on another exchange or market.

Other portfolio securities and assets, for which reliable market quotations are not readily available, are valued at fair value as determined in good faith by the fund’s Pricing Committee following procedures established by the Board of Trustees. The frequency with which these fair valuation procedures are used cannot be predicted and fair value of securities may differ significantly from the value that would have been used had a ready market for such securities existed. Trading in foreign securities may be completed before the scheduled daily close of trading on the NYSE. Significant events at the issuer or market level may affect the values of securities between the time when the valuation of the securities is generally determined and the close of the NYSE. If a significant event occurs, these securities may be fair valued, as determined in good faith by the fund’s Pricing Committee, following procedures established by the Board of Trustees. The fund uses fair value adjustment factors provided by an independent pricing vendor to value certain foreign securities in order to adjust for events that may occur between the close of foreign exchanges or markets and the close of the NYSE.

The fund uses a three-tier hierarchy to prioritize the pricing assumptions, referred to as inputs, used in valuation techniques to measure fair value. Level 1 includes securities valued using quoted prices in active markets for identical securities, including registered investment companies. Level 2 includes securities valued using other significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates, prepayment speeds and credit risk. Prices for securities valued using these inputs are received from independent pricing vendors and brokers and are based on an evaluation of the inputs described. Level 3 includes securities valued using significant unobservable inputs when market prices are not readily available or reliable, including the fund’s own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events or trends, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques and related inputs may result in transfers into or out of an assigned level within the disclosure hierarchy.

The following is a summary of the values by input classification of the fund’s investments as of July 31, 2019, by major security category or type:

	Total value at 7-31-19	Level 1 quoted price	Level 2 significant observable inputs	Level 3 significant unobservable inputs
Investments in securities:				
Assets				
U.S. Government and Agency obligations	\$64,136,465	—	\$64,136,465	—
Foreign government obligations	234,499,754	—	234,499,754	—
Corporate bonds	57,412,136	—	57,412,136	—
Convertible bonds	110,872	—	110,872	—
Common stocks	105,187,972	\$35,636,199	69,298,147	\$253,626

	Total value at 7-31-19	Level 1 quoted price	Level 2 significant observable inputs	Level 3 significant unobservable inputs
Purchased options	\$6,287,684	\$4,478,115	\$1,809,569	—
Short-term investments	327,869,545	86,619,840	241,249,705	—
Total investments in securities	\$795,504,428	\$126,734,154	\$668,516,648	\$253,626
Derivatives:				
Assets				
Futures	\$1,050,062	\$949,785	\$100,277	—
Forward foreign currency contracts	12,023,240	—	12,023,240	—
Swap contracts	43,638,127	—	43,638,127	—
Liabilities				
Futures	(6,127,293)	(6,127,293)	—	—
Forward foreign currency contracts	(10,024,564)	—	(10,024,564)	—
Written options	(2,443,459)	(2,055,195)	(388,264)	—
Swap contracts	(29,384,289)	—	(29,384,289)	—

Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Interest income includes coupon interest and amortization/accretion of premiums/discounts on debt securities. Debt obligations may be placed in a non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful. Dividend income is recorded on the ex-date, except for dividends of foreign securities where the dividend may not be known until after the ex-date. In those cases, dividend income, net of withholding taxes, is recorded when the fund becomes aware of the dividends. Non-cash dividends, if any, are recorded at the fair market value of the securities received. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation.

Inflation-indexed bonds. Inflation-indexed bonds are securities that generally have a lower coupon interest rate fixed at issuance but whose principal value is periodically adjusted based on a rate of inflation, such as the Consumer Price Index. Over the life of an inflation-indexed bond, interest is paid on the inflation adjusted principal value as described above. Increases in the principal amount of these securities are recorded as interest income. Decreases in the principal amount of these securities may reduce interest income to the extent of income previously recorded. If these decreases are in excess of income previously recorded, an adjustment to the cost of the security is made.

Real estate investment trusts. The fund may invest in real estate investment trusts (REITs). Distributions from REITs may be recorded as income and subsequently characterized by the REIT at the end of the fiscal year as a reduction of cost of investments and/or as a realized gain. As a result, the fund will estimate the components of distributions from these securities. Such estimates are revised when the actual components of the distributions are known.

Foreign investing. Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate. Purchases and sales of securities, income and expenses are translated into U.S. dollars at the prevailing exchange rate on the date of the transaction. The effect of changes in foreign currency exchange rates on the value of securities is reflected as a component of the realized and unrealized gains (losses) on investments. Foreign investments are subject to a decline in the value of a foreign

currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency.

Funds that invest internationally generally carry more risk than funds that invest strictly in U.S. securities. Risks can result from differences in economic and political conditions, regulations, market practices (including higher transaction costs), accounting standards and other factors.

Foreign taxes. The fund may be subject to withholding tax on income, capital gains or repatriation taxes imposed by certain countries, a portion of which may be recoverable. Foreign taxes are accrued based upon the fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. Taxes are accrued based on gains realized by the fund as a result of certain foreign security sales. In certain circumstances, estimated taxes are accrued based on unrealized appreciation of such securities. Investment income is recorded net of foreign withholding taxes.

Line of credit. The fund may have the ability to borrow from banks for temporary or emergency purposes, including meeting redemption requests that otherwise might require the untimely sale of securities. Pursuant to the fund's custodian agreement, the custodian may loan money to the fund to make properly authorized payments. The fund is obligated to repay the custodian for any overdraft, including any related costs or expenses. The custodian may have a lien, security interest or security entitlement in any fund property that is not otherwise segregated or pledged, to the extent of any overdraft, and to the maximum extent permitted by law.

The fund and other affiliated funds, have entered into a syndicated line of credit agreement with Citibank, N.A. as the administrative agent that enables them to participate in a \$750 million unsecured committed line of credit. Excluding commitments designated for a certain fund and subject to the needs of all other affiliated funds, the fund can borrow up to an aggregate commitment amount of \$500 million, subject to asset coverage and other limitations as specified in the agreement. A commitment fee payable at the end of each calendar quarter, based on the average daily unused portion of the line of credit, is charged to each participating fund based on a combination of fixed and asset based allocations and is reflected in Other expenses on the Statement of operations. For the year ended July 31, 2019, the fund had no borrowings under the line of credit. Commitment fees for the year ended July 31, 2019 were \$6,044.

Expenses. Within the John Hancock group of funds complex, expenses that are directly attributable to an individual fund are allocated to such fund. Expenses that are not readily attributable to a specific fund are allocated among all funds in an equitable manner, taking into consideration, among other things, the nature and type of expense and the fund's relative net assets. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

Class allocations. Income, common expenses and realized and unrealized gains (losses) are determined at the fund level and allocated daily to each class of shares based on the net assets of the class. Class-specific expenses, such as distribution and service fees, if any, and transfer agent fees, for all classes, are charged daily at the class level based on the net assets of each class and the specific expense rates applicable to each class.

Federal income taxes. The fund intends to continue to qualify as a regulated investment company by complying with the applicable provisions of the Internal Revenue Code and will not be subject to federal income tax on taxable income that is distributed to shareholders. Therefore, no federal income tax provision is required.

For federal income tax purposes, as of July 31, 2019, the fund has a short-term capital loss carryforward of \$589,233,065 available to offset future net realized capital gains. This carryforward does not expire.

As of July 31, 2019, the fund had no uncertain tax positions that would require financial statement recognition, derecognition or disclosure. The fund's federal tax returns are subject to examination by the Internal Revenue Service for a period of three years.

Distribution of income and gains. Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-date. The fund generally declares and pays dividends annually. Capital gain distributions, if any, are typically distributed annually.

There were no distributions for the years ended July 31, 2019 and 2018.

Distributions paid by the fund with respect to each class of shares are calculated in the same manner, at the same time and in the same amount, except for the effect of class level expenses that may be applied differently to each class. As of July 31, 2019, the components of distributable earnings on a tax basis consisted of \$116,292,726 of undistributed ordinary income.

Such distributions and distributable earnings, on a tax basis, are determined in conformity with income tax regulations, which may differ from US GAAP. Distributions in excess of tax basis earnings and profits, if any, are reported in the fund's financial statements as a return of capital.

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences, if any, will reverse in a subsequent period. Book-tax differences are primarily attributable to foreign currency transactions, investments in passive foreign investment companies, wash sale loss deferrals, derivative transactions, amortization and accretion on debt securities, and treasury inflation protected securities.

Note 3 — Derivative instruments

The fund may invest in derivatives in order to meet its investment objective. Derivatives include a variety of different instruments that may be traded in the over-the-counter (OTC) market, on a regulated exchange or through a clearing facility. The risks in using derivatives vary depending upon the structure of the instruments, including the use of leverage, optionality, the liquidity or lack of liquidity of the contract, the creditworthiness of the counterparty or clearing organization and the volatility of the position. Some derivatives involve risks that are potentially greater than the risks associated with investing directly in the referenced securities or other referenced underlying instrument. Specifically, the fund is exposed to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction.

Derivatives which are typically traded through the OTC market are regulated by the Commodity Futures Trading Commission (the CFTC). Derivative counterparty risk is managed through an ongoing evaluation of the creditworthiness of all potential counterparties and, if applicable, designated clearing organizations. The fund attempts to reduce its exposure to counterparty risk for derivatives traded in the OTC market, whenever possible, by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement with each of its OTC counterparties. The ISDA gives each party to the agreement the right to terminate all transactions traded under the agreement if there is certain deterioration in the credit quality or contractual default of the other party, as defined in the ISDA. Upon an event of default or a termination of the ISDA, the non-defaulting party has the right to close out all transactions and to net amounts owed.

As defined by the ISDA, the fund may have collateral agreements with certain counterparties to mitigate counterparty risk on OTC derivatives. Subject to established minimum levels, collateral for OTC transactions is generally determined based on the net aggregate unrealized gain or loss on contracts with a particular

counterparty. Collateral pledged to the fund, if any, is held in a segregated account by a third-party agent or held by the custodian bank for the benefit of the fund and can be in the form of cash or debt securities issued by the U.S. government or related agencies; collateral posted by the fund, if any, for OTC transactions is held in a segregated account at the fund's custodian and is noted in the accompanying Fund's investments, or if cash is posted, on the Statement of assets and liabilities. The fund's risk of loss due to counterparty risk is equal to the asset value of outstanding contracts offset by collateral received.

Certain derivatives are traded or cleared on an exchange or central clearinghouse. Exchange-traded or centrally-cleared transactions generally present less counterparty risk to a fund than OTC transactions. The exchange or clearinghouse stands between the fund and the broker to the contract and therefore, credit risk is generally limited to the failure of the exchange or clearinghouse and the clearing member.

Centrally-cleared swap contracts are subject to clearinghouse rules, including initial and variation margin requirements, daily settlement of obligations and the clearinghouse guarantee of payments to the broker. There is, however, still counterparty risk due to the potential insolvency of the broker with respect to any margin held in the brokers' customer accounts. While clearing members are required to segregate customer assets from their own assets, in the event of insolvency, there may be a shortfall in the amount of margin held by the broker for its clients. Collateral or margin requirements for centrally-cleared derivatives are set by the broker or applicable clearinghouse. Margin for centrally-cleared transactions is detailed in the Statement of assets and liabilities as Receivable/Payable for centrally-cleared swaps. Securities pledged by the fund for centrally-cleared transactions, if any, are identified in the Fund's investments.

Futures. A futures contract is a contractual agreement to buy or sell a particular currency or financial instrument at a pre-determined price in the future. Risks related to the use of futures contracts include possible illiquidity of the futures markets and contract prices that can be highly volatile and imperfectly correlated to movements in the underlying financial instrument and potential losses in excess of the amounts recognized on the Statement of assets and liabilities. Use of long futures contracts subjects the fund to the risk of loss up to the notional value of the futures contracts. Use of short futures contracts subjects the fund to unlimited risk of loss.

Upon entering into a futures contract, the fund is required to deposit initial margin with the broker in the form of cash or securities. The amount of required margin is generally based on a percentage of the contract value; this amount is the initial margin for the trade. The margin deposit must then be maintained at the established level over the life of the contract. Payable for futures variation margin is included on the Statement of assets and liabilities. Futures contracts are marked-to-market daily and an appropriate payable or receivable for the change in value (variation margin) and unrealized gain or loss is recorded by the fund. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Collateral or margin requirements are set by the broker or applicable clearinghouse. Collateral is detailed in the Statement of assets and liabilities as Collateral held at broker for futures contracts. Securities pledged by the fund, if any, are identified in the Fund's investments.

During the year ended July 31, 2019, the fund used futures contracts to manage against anticipated changes in securities markets and interest rates, gain exposure to certain securities markets and foreign bond markets, and maintain diversity of the fund. The fund held futures contracts with USD notional values ranging from \$332.1 million to \$3.6 billion, as measured at each quarter end.

Forward foreign currency contracts. A forward foreign currency contract is an agreement between two parties to buy and sell specific currencies at a price that is set on the date of the contract. The forward contract calls for delivery of the currencies on a future date that is specified in the contract. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the forward agreement, the failure of

the counterparties to timely post collateral if applicable, and the risk that currency movements will not favor the fund thereby reducing the fund's total return, and the potential for losses in excess of the amounts recognized on the Statement of assets and liabilities.

The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked-to-market daily and the change in value is recorded by the fund as an unrealized gain or loss. Realized gains or losses, equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed, are recorded upon delivery or receipt of the currency or settlement with the counterparty.


During the year ended July 31, 2019, the fund used forward foreign currency contracts to manage against anticipated changes in current exchange rates, gain exposure to foreign currencies and maintain diversity of the fund. The fund held forward foreign currency contracts with USD notional values ranging from \$1.3 billion to \$5.0 billion, as measured at each quarter end.

Options. There are two types of options, put options and call options. Options are traded either OTC or on an exchange. A call option gives the purchaser of the option the right to buy (and the seller the obligation to sell) the underlying instrument at the exercise price. A put option gives the purchaser of the option the right to sell (and the writer the obligation to buy) the underlying instrument at the exercise price. Writing puts and buying calls may increase the fund's exposure to changes in the value of the underlying instrument. Buying puts and writing calls may decrease the fund's exposure to such changes. Risks related to the use of options include the loss of premiums, possible illiquidity of the options markets, trading restrictions imposed by an exchange and movements in underlying security values, and for written options, potential losses in excess of the amounts recognized on the Statement of assets and liabilities. In addition, OTC options are subject to the risks of all OTC derivatives contracts.

When the fund purchases an option, the premium paid is included in the Fund's investments and subsequently "marked-to-market" to reflect current market value. If the purchased option expires, the fund realizes a loss equal to the cost of the option. If the fund exercises a call option, the cost of the securities acquired by exercising the call is increased by the premium paid to buy the call. If the fund exercises a put option, it realizes a gain or loss from the sale of the underlying security and the proceeds from such sale are decreased by the premium paid. If the fund enters into a closing sale transaction, it realizes a gain or loss, depending on whether proceeds from the closing sale are greater or less than the original cost. When the fund writes an option, the premium received is included as a liability and subsequently "marked-to-market" to reflect the current market value of the option written. Premiums received from writing options that expire unexercised are recorded as realized gains. Premiums received from writing options which are exercised or are closed are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium received reduces the cost basis of the securities purchased by the fund.

During the year ended July 31, 2019, the fund used purchased options contracts to manage against anticipated currency exchange rates and changes in securities markets, gain exposure to foreign currency exchange rates and certain securities markets, and maintain diversity of the fund. The fund held purchased options contracts with market values ranging from \$6.3 million to \$93.7 million, as measured at each quarter end.

During the year ended July 31, 2019, the fund wrote option contracts to manage against anticipated changes in securities markets and gain exposure to certain securities markets. The fund held written option contracts with market values ranging from \$2.4 million to \$68.2 million, as measured at each quarter end.



Swaps. Swap agreements are agreements between the fund and counterparty to exchange cash flows, assets, foreign currencies or market-linked returns at specified intervals. Swap agreements are privately negotiated in the OTC market (OTC swaps) or may be executed on a registered commodities exchange (centrally cleared swaps). Swaps are marked-to-market daily and the change in value is recorded as a component of unrealized appreciation/depreciation of swap contracts. The value of the swap will typically impose collateral posting obligations on the party that is considered out-of-the-money on the swap.

Upfront payments made/received by the fund, if any, are amortized/accreted for financial reporting purposes, with the unamortized/unaccreted portion included in the Statement of assets and liabilities. A termination payment by the counterparty or the fund is recorded as realized gain or loss, as well as the net periodic payments received or paid by the fund.

Entering into swap agreements involves, to varying degrees, elements of credit, market and documentation risk that may provide outcomes that are in excess of the amounts recognized on the Statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for the swap, or that a counterparty may default on its obligation or delay payment under the swap terms. The counterparty may disagree or contest the terms of the swap. In addition to interest rate risk, market risks may also impact the swap. The fund may also suffer losses if it is unable to terminate or assign outstanding swaps or reduce its exposure through offsetting transactions.

Interest rate swaps. Interest rate swaps represent an agreement between the fund and a counterparty to exchange cash flows based on the difference between two interest rates applied to a notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The fund settles accrued net interest receivable or payable under the swap contracts at specified, future intervals.

During the year ended July 31, 2019, the fund used interest rate swap contracts to manage duration of the fund, manage against anticipated interest rate changes, maintain diversity of the fund and gain exposure to treasuries markets. The fund held interest rate swaps with total USD notional amounts ranging from \$1.0 billion to \$11.1 billion, as measured at each quarter end.

Credit default swaps. Credit default swaps (CDS) involve the exchange of a fixed rate premium (paid by the Buyer), for protection against the loss in value of an underlying debt instrument, referenced entity or index, in the event of a defined credit event (such as payment default or bankruptcy). Under the terms of the swap, one party acts as a “guarantor” (the Seller), receiving the premium and agreeing to contingent payments that are specified within the credit default agreement. The fund may enter into CDS in which it may act as either Buyer or Seller. By acting as the Seller, the fund may incur economic leverage since it would be obligated to pay the Buyer the notional amount of the contract in the event of a default. The amount of loss in such case could be significant, but would typically be reduced by any recovery value on the underlying credit.

Credit default swaps — Buyer

During the year ended July 31, 2019, the fund used credit default swap contracts as a buyer to manage against potential credit events. The fund held credit default swaps with total USD notional amounts ranging from \$12.8 million to \$118.0 million, as measured at each quarter end.

Credit default swaps — Seller

Implied credit spreads are utilized in determining the market value of CDS agreements in which the fund is the Seller at period end. The implied credit spread generally represents the yield of the instrument above a credit-risk free rate, such as the U.S. Treasury Bond Yield, and may include upfront payments required to be made to enter

into the agreement. It also serves as an indicator of the current status of the payment/performance risk and represents the likelihood or risk of default for the credit derivative. Wider credit spreads represent a deterioration of the referenced entity's creditworthiness and an increased risk of default or other credit event occurring as defined under the terms of the agreement.

For CDS agreements where implied credit spreads are not reported or available, the average credit rating on the underlying index is shown. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's creditworthiness and a greater likelihood of a credit event occurring. This is also represented by a decrease in the average credit rating of the underlying index. The maximum potential amount of future payments (undiscounted) that a fund as the Seller could be required to make under any CDS agreement equals the notional amount of the agreement.

During the year ended July 31, 2019, the fund used credit default swap contracts as a seller to take a long position in the exposure of the benchmark credit. The fund held credit default swaps with total USD notional amounts ranging up to \$313.3 million, as measured at each quarter end.

Inflation swaps. In an inflation swap, one party pays a fixed rate on a notional principal amount while the other party pays a floating rate linked to an inflation index on that same notional amount. The party paying the floating rate pays the inflation adjusted rate multiplied by the notional principal amount. If the average inflation rate over the term of the swap is the same as the fixed rate of the swap, the two legs will have the same value and the swap will break even.

During the year ended July 31, 2019, the fund used inflation swaps to manage inflation duration of the fund, manage against changes in inflation, and maintain diversity of the fund. The fund held inflation swaps with total USD notional amounts ranging up to \$204.5 million, as measured at each quarter end.

Total Return Swaps. The fund may enter into total return swap contracts to obtain synthetic exposure to a specific reference asset or index without owning, taking physical custody of, or short selling the underlying assets. Total return swaps are commitments where one party pays a fixed or variable rate premium (the Buyer) in exchange for a market-linked return (the Seller). The Seller pays the total return of a specific reference asset or index and in return receives interest payments from the Buyer. To the extent the total return of the underlying asset or index exceeds or falls short of the offsetting interest rate obligation, the Buyer will receive or make a payment to the Seller. The fund may enter into total return swaps in which it may act as either the Buyer or the Seller. Total return swap contracts are subject to the risk associated with the investment in the underlying reference asset or index. The risk in the case of short total return swap contracts is unlimited based on the potential for unlimited increases in the market value of the underlying reference asset or index.

During the year ended July 31, 2019, the fund used total return swaps to manage against anticipated changes in securities, gain exposure to certain securities markets, and to maintain diversity of the fund. The fund held total return swaps with total USD notional amounts ranging up to \$116.9 million, as measured at each quarter. There were no open total return swaps as of July 31, 2019.

Variance swaps. Variance swap agreements involve two parties agreeing to exchange cash flows based on the measured variance (or square of volatility) of a specified underlying asset. One party agrees to exchange a "fixed rate" or strike price payment for the "floating rate" or realized price variance on the underlying asset with respect to the notional amount. At inception, the strike price is generally chosen such that the fair value of the swap is zero. At the maturity date, a net cash flow is exchanged, where the payoff amount is equivalent to the difference between the realized price variance of the underlying asset and the strike price multiplied by the notional amount. As a receiver of the realized price variance, the fund would receive the payoff amount when the realized price

variance of the underlying asset is greater than the strike price and would owe the payoff amount when the price variance is less than the strike price. As a payer of the realized price variance the fund would owe the payoff amount when the realized price variance of the underlying asset is greater than the strike price and would receive the payoff amount when the variance is less than the strike price.

During the year ended July 31, 2019, the fund used variance swaps to maintain diversity of the fund and manage against volatility and anticipated changes in securities markets. The fund held variance swaps with total USD notional amounts ranging from \$2.7 million to \$13.2 million, as measured at each quarter end.

Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the fund at July 31, 2019 by risk category:

Risk	Statement of assets and liabilities location	Financial instruments location	Assets derivatives fair value	Liabilities derivatives fair value
Interest rate	Receivable/payable for futures variation margin	Futures ¹	—	\$(4,843,183)
Equity	Receivable/payable for futures variation margin	Futures ¹	\$1,050,062	(1,284,110)
Foreign currency	Unrealized appreciation / depreciation on forward foreign currency contracts	Forward foreign currency contracts	12,023,240	(10,024,564)
Foreign currency	Unaffiliated investments, at value ²	Purchased options	1,575,042	—
Equity	Unaffiliated investments, at value ²	Purchased options	4,712,642	—
Equity	Written options, at value	Written options	—	(2,443,459)
Credit	Swap contracts, at value	Credit default swaps ³	10,860,778	(1,018,123)
Equity	Swap contracts, at value	Variance swaps ³	5,801,409	(8,359,298)
Interest rate	Swap contracts, at value	Interest rate swaps ³	26,828,606	(17,818,476)
Interest rate	Swap contracts, at value	Inflation swaps ³	147,334	(2,188,392)
			\$62,999,113	\$(47,979,605)

¹ Reflects cumulative appreciation/depreciation on futures as disclosed in the Fund's investments. Only the year end variation margin is separately disclosed on the Statement of assets and liabilities.

² Purchased options are included in the Fund's investments.

³ Reflects cumulative value of swap contracts. Receivable/payable for centrally cleared swaps, which includes value and margin, and swap contracts, at value, which represents OTC swaps, are shown separately on the Statement of assets and liabilities.

For financial reporting purposes, the fund does not offset OTC derivative assets or liabilities that are subject to master netting arrangements, as defined by the ISDAs, in the Statement of assets and liabilities. In the event of default by the counterparty or a termination of the agreement, the ISDA allows an offset of amounts across the various transactions between the fund and the applicable counterparty. The tables below reflect the fund's exposure to OTC derivative transactions and exposure to counterparties subject to an ISDA:

OTC Financial Instruments	Asset	Liability
Forward foreign currency contracts	\$12,023,240	\$(10,024,564)
Purchased options	1,809,569	—
Written options	—	(388,264)
Variance swaps	5,801,409	(8,359,298)

OTC Financial Instruments

	Asset	Liability
Total	\$19,634,218	\$(18,772,126)

Counterparty	Total Market Value of OTC Derivatives	Collateral Posted by Counterparty	Collateral Posted by Fund	Net Exposure
Barclays Bank PLC	(\$477,067)	—	\$462,589	(\$14,478)
BNP Paribas	(1,713,670)	—	1,627,335	(86,335)
Citibank, N.A.	1,256,710	\$1,090,000	—	166,710
Deutsche Bank AG	2,309,541	1,718,766	—	590,775
Goldman Sachs International	(1,070,216)	—	825,274	(244,942)
HSBC Bank PLC	213,425	—	78,917	292,342
JPMorgan Chase Bank, N.A.	(1,205,666)	—	735,228	(470,438)
Merrill Lynch International	794,336	—	—	794,336
Morgan Stanley & Co. International PLC	(315,083)	—	272,910	(42,173)
NatWest Markets PLC	(214,034)	—	214,034	—
RBC Dominion Securities, Inc.	51,525	—	—	51,525
Societe Generale	1,927,283	1,250,000	—	677,283
UBS AG	(694,992)	—	679,815	(15,177)
Total	\$862,092	\$4,058,766	\$4,896,102	\$1,699,428

Effect of derivative instruments on the Statement of operations

The table below summarizes the net realized gain (loss) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the year ended July 31, 2019:

Statement of operations location - Net realized gain (loss) on:

Risk	Unaffiliated investments and foreign currency transactions ¹	Futures contracts	Forward foreign currency contracts	Written options	Swap contracts	Total
Interest rate	—	\$562,197	—	—	\$32,214,460	\$32,776,657
Foreign currency	\$5,434,514	—	\$90,184,721	\$2,333,431	—	97,952,666
Credit	—	—	—	—	2,217,671	2,217,671
Equity	(15,423,250)	37,685,266	—	(59,087,438)	(25,530,813)	(62,356,235)
Total	\$(9,988,736)	\$38,247,463	\$90,184,721	\$(56,754,007)	\$8,901,318	\$70,590,759

¹ Realized gain/loss associated with purchased options is included in this caption on the Statement of operations.

The table below summarizes the net change in unrealized appreciation (depreciation) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the year ended July 31, 2019:

Statement of operations location - Change in net unrealized appreciation (depreciation) of:

Risk	Unaffiliated investments and translation of assets and liabilities in foreign currencies¹	Futures contracts	Forward foreign currency contracts	Written options	Swap contracts	Total
Interest rate	—	\$(12,455,489)	—	—	\$4,896,208	\$(7,559,281)
Foreign currency	\$(4,415,996)	—	\$(28,284,274)	\$(2,250,312)	—	(34,950,582)
Credit	—	—	—	—	3,501,798	3,501,798
Equity	15,173,850	15,021,296	—	7,155,891	2,973,187	40,324,224
Total	\$10,757,854	\$2,565,807	\$(28,284,274)	\$4,905,579	\$11,371,193	\$1,316,159

¹ Change in unrealized appreciation/depreciation associated with purchased options is included in this caption on the Statement of operations.

Note 4 — Guarantees and indemnifications

Under the Trust's organizational documents, its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust, including the fund. Additionally, in the normal course of business, the fund enters into contracts with service providers that contain general indemnification clauses. The fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the fund that have not yet occurred. The risk of material loss from such claims is considered remote.

Note 5 — Fees and transactions with affiliates

John Hancock Investment Management LLC (the Advisor) serves as investment advisor for the fund. John Hancock Investment Management Distributors LLC (the Distributor), an affiliate of the Advisor, serves as principal underwriter of the fund. The Advisor and the Distributor are indirect, wholly owned subsidiaries of Manulife Financial Corporation (MFC). Prior to June 28, 2019, the Advisor was known as John Hancock Advisers, LLC and the Distributor was known as John Hancock Funds, LLC.

Management fee. The fund has an investment management agreement with the Advisor under which the fund pays a daily management fee to the Advisor equivalent on an annual basis to the sum of: (a) 1.300% of the first \$200 million of the fund's average daily net assets; and (b) 1.250% of the next \$300 million of the fund's average daily net assets provided that net assets are less than or equal to \$500 million. If net assets exceed \$500 million, the following rates apply; (a) 1.200% of the first \$3.0 billion of the fund's average daily net assets; (b) 1.150% of the next \$2.5 billion of the fund's average daily net assets; (c) 1.120% of the next \$1.5 billion of the fund's average daily net assets; (d) 1.100% of the next \$3.0 billion of the fund's average daily net assets; and (e) 1.070% of the fund's average daily net assets in excess of \$10.0 billion. The Advisor has a subadvisory agreement with Standard Life Investments (Corporate Funds) Limited. Effective January 1, 2019, Standard Life Investments (USA) Limited was replaced by Aberdeen Standard Investments Inc. as the fund's sub-subadvisor. The fund is not responsible for payment of the sub-subadvisory fees.

The Advisor has contractually agreed to waive a portion of its management fee and/or reimburse expenses for certain funds of the John Hancock group of funds complex, including the fund (the participating portfolios). This waiver is based upon aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each

fund. During the year ended July 31, 2019, this waiver amounted to 0.01% of the fund's average daily net assets. This arrangement expires on July 31, 2021, unless renewed by mutual agreement of the fund and the Advisor based upon a determination that this is appropriate under the circumstances at that time.

For the year ended July 31, 2019, the expense reductions described above amounted to the following:

Class	Expense reduction	Class	Expense reduction
Class A	\$6,150	Class R6	\$20,570
Class C	5,174	Class NAV	21,737
Class I	103,180	Total	\$156,893
Class R2	82		

Expenses waived or reimbursed in the current fiscal period are not subject to recapture in future fiscal periods.

The investment management fees, including the impact of the waivers and reimbursements as described above, incurred for the year ended July 31, 2019, were equivalent to a net annual effective rate of 1.19% of the fund's average daily net assets.

Accounting and legal services. Pursuant to a service agreement, the fund reimburses the Advisor for all expenses associated with providing the administrative, financial, legal, compliance, accounting and recordkeeping services to the fund, including the preparation of all tax returns, periodic reports to shareholders and regulatory reports, among other services. These expenses are allocated to each share class based on its relative net assets at the time the expense was incurred. These accounting and legal services fees incurred for the year ended July 31, 2019 amounted to an annual rate of 0.02% of the fund's average daily net assets.

Distribution and service plans. The fund has a distribution agreement with the Distributor. The fund has adopted distribution and service plans pursuant to Rule 12b-1 under the 1940 Act, to pay the Distributor for services provided as the distributor of shares of the fund. In addition, under a service plan for certain classes as indicated in the below table, the fund pays for certain other services. The fund may pay up to the following contractual rates of distribution and service fees under these arrangements, expressed as an annual percentage of average daily net assets for each class of the fund's shares:

Class	Rule 12b-1 Fee	Service fee
Class A	0.30%	—
Class C	1.00%	—
Class R2	0.25%	0.25%

Sales charges. Class A shares are assessed up-front sales charges, which resulted in payments to the Distributor amounting to \$14,165 for the year ended July 31, 2019. Of this amount, \$2,299 was retained and used for printing prospectuses, advertising, sales literature and other purposes, \$11,841 was paid as sales commissions to broker-dealers and \$25 was paid as sales commissions to sales personnel of Signator Investors, Inc., which had been a broker-dealer affiliate of the Advisor through November 2, 2018.

Class A and Class C shares may be subject to contingent deferred sales charges (CDSCs). Certain Class A shares that are acquired through purchases of \$1 million or more and are redeemed within one year of purchase are subject to a 1.00% sales charge. Class C shares that are redeemed within one year of purchase are subject to a 1.00% CDSC. CDSCs are applied to the lesser of the current market value at the time of redemption or the original purchase cost of the shares being redeemed. Proceeds from CDSCs are used to compensate the Distributor for providing distribution-related services in connection with the sale of these shares. During the year ended July 31, 2019, CDSCs received by the Distributor amounted to \$379 and \$867 for Class A and Class C shares, respectively.

Transfer agent fees. The John Hancock group of funds has a complex-wide transfer agent agreement with John Hancock Signature Services, Inc. (Signature Services), an affiliate of the Advisor. The transfer agent fees paid to Signature Services are determined based on the cost to Signature Services (Signature Services Cost) of providing recordkeeping services. It also includes out-of-pocket expenses, including payments made to third-parties for recordkeeping services provided to their clients who invest in one or more John Hancock funds. In addition, Signature Services Cost may be reduced by certain fees that Signature Services receives in connection with retirement and small accounts. Signature Services Cost is calculated monthly and allocated, as applicable, to five categories of share classes: Retail Share and Institutional Share Classes of Non-Municipal Bond Funds, Class R6 Shares, Retirement Share Classes and Municipal Bond Share Classes. Within each of these categories, the applicable costs are allocated to the affected John Hancock affiliated funds and/or classes, based on the relative average daily net assets.

Class level expenses. Class level expenses for the year ended July 31, 2019 were as follows:

Class	Distribution and service fees	Transfer agent fees
Class A	\$239,815	\$89,826
Class C	673,041	75,834
Class I	—	1,709,599
Class R2	5,182	141
Class R6	—	34,922
Total	\$918,038	\$1,910,322

Trustee expenses. The fund compensates each Trustee who is not an employee of the Advisor or its affiliates. The costs of paying Trustee compensation and expenses are allocated to the fund based on its net assets relative to other funds within the John Hancock group of funds complex.

Note 6 — Fund share transactions

Transactions in fund shares for the years ended July 31, 2019 and 2018 were as follows:

	Year Ended 7-31-19		Year Ended 7-31-18	
	Shares	Amount	Shares	Amount
Class A shares				
Sold	625,188	\$6,274,834	3,221,196	\$33,164,797
Repurchased	(7,014,344)	(70,656,381)	(10,782,153)	(110,919,648)
Net decrease	(6,389,156)	\$(64,381,547)	(7,560,957)	\$(77,754,851)
Class C shares				
Sold	60,123	\$597,810	294,718	\$3,003,179
Repurchased	(4,113,011)	(40,562,259)	(7,028,211)	(71,340,546)
Net decrease	(4,052,888)	\$(39,964,449)	(6,733,493)	\$(68,337,367)
Class I shares				
Sold	19,544,689	\$197,475,809	52,684,709	\$547,836,699
Repurchased	(205,587,752)	(2,086,260,407)	(152,436,892)	(1,578,042,859)
Net decrease	(186,043,063)	\$(1,888,784,598)	(99,752,183)	\$(1,030,206,160)

	Year Ended 7-31-19		Year Ended 7-31-18	
	Shares	Amount	Shares	Amount
Class R2 shares				
Sold	15,686	\$158,107	19,791	\$203,145
Repurchased	(77,295)	(781,172)	(112,283)	(1,154,045)
Net decrease	(61,609)	\$(623,065)	(92,492)	\$(950,900)
Class R6 shares				
Sold	1,684,518	\$17,501,312	13,103,168	\$134,902,273
Repurchased	(41,036,851)	(416,128,560)	(26,517,261)	(274,041,157)
Net decrease	(39,352,333)	\$(398,627,248)	(13,414,093)	\$(139,138,884)
Class NAV shares				
Sold	58,894	\$607,546	704,761	\$7,340,189
Repurchased	(59,948,659)	(604,241,928)	(28,183,844)	(289,846,858)
Net decrease	(59,889,765)	\$(603,634,382)	(27,479,083)	\$(282,506,669)
Total net decrease	(295,788,814)	\$(2,996,015,289)	(155,032,301)	\$(1,598,894,831)

Affiliates of the fund owned 100% of shares of Class NAV on July 31, 2019. Such concentration of shareholders' capital could have a material effect on the fund if such shareholders redeem from the fund.

Note 7 — Purchase and sale of securities

Purchases and sales of securities, other than short-term investments and U.S. Treasury obligations, amounted to \$499,741,312 and \$2,412,573,419, respectively, for the year ended July 31, 2019. Purchases and sales of U.S. Treasury obligations aggregated \$148,469,425 and \$333,606,945, respectively, for the year ended July 31, 2019.

Note 8 — Investment by affiliated funds

Certain investors in the fund are affiliated funds that are managed by the Advisor and its affiliates. The affiliated funds do not invest in the fund for the purpose of exercising management or control; however, this investment may represent a significant portion of the fund's net assets. At July 31, 2019, there were no affiliated funds with an ownership of 5% or more of the fund's net assets.

Note 9 — New accounting pronouncement

In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2017-08, Premium Amortization on Purchased Callable Debt Securities, which shortens the premium amortization period for purchased non contingently callable debt securities. The standard is effective for annual periods beginning after December 15, 2018 and interim periods within those fiscal years. Management has performed an analysis and has determined that the ASU will not have a material impact to the fund.

Note 10 — Subsequent Events

Effective on August 28, 2019, Nordea Investment Management North America, Inc. (NIMNAI) will replace Standard Life Investments (Corporate Funds) Limited (Standard Life) as subadvisor to the fund, and the fund's name is changing to John Hancock Multi-Asset Absolute Return Fund.



On August 22, 2019 the fund declared the following income distributions:

Class	Total amount	Per share amount	Class	Total amount	Per share amount
Class A	\$7,249,302	\$1.5559	Class R2	\$106,878	\$1.5488
Class C	7,396,250	1.4849	Class R6	22,147,213	1.5975
Class I	74,709,636	1.5873	Class NAV	4,683,945	1.5985

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of John Hancock Funds II and Shareholders of John Hancock Global Absolute Return Strategies Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the Fund's investments, of John Hancock Global Absolute Return Strategies Fund (one of the funds constituting John Hancock Funds II, referred to hereafter as the "Fund") as of July 31, 2019, the related statement of operations for the year ended July 31, 2019, the statements of changes in net assets for each of the two years in the period ended July 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended July 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of July 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended July 31, 2019 and the financial highlights for each of the five years in the period ended July 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of July 31, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

September 20, 2019

We have served as the auditor of one or more investment companies in the John Hancock group of funds since 1988.

TAX INFORMATION

Unaudited

For federal income tax purposes, the following information is furnished with respect to the distributions of the fund, if any, paid during its taxable year ended July 31, 2019.

The fund reports the maximum amount allowable of its net taxable income as eligible for the corporate dividends-received deduction.

The fund reports the maximum amount allowable of its net taxable income as qualified dividend income as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The fund reports the maximum amount allowable of its Section 199A dividends as defined in Proposed Treasury Regulation §1.199A-3(d).

Eligible shareholders will be mailed a 2019 Form 1099-DIV in early 2020. This will reflect the tax character of all distributions paid in calendar year 2019.

Please consult a tax advisor regarding the tax consequences of your investment in the fund.

CONTINUATION OF INVESTMENT ADVISORY AND SUBADVISORY AGREEMENTS

Evaluation of Advisory and Subadvisory Agreements by the Board of Trustees

This section describes the evaluation by the Board of Trustees (the Board) of John Hancock Funds II (the Trust) of the Advisory Agreement (the Advisory Agreement) with John Hancock Investment Management LLC (the Advisor, formerly known as “John Hancock Advisers LLC”) and the Subadvisory Agreement (the Subadvisory Agreement) with Standard Life Investments (Corporate Funds) Limited (SLI or the Subadvisor) for John Hancock Global Absolute Return Strategies Fund (the fund). The Advisory Agreement and Subadvisory Agreement are collectively referred to as the Agreements. Prior to the June 23-26, 2019 in-person meeting at which the Agreements were approved, the Board also discussed and considered information regarding the proposed continuation of the Agreements at an in-person meeting held on May 28-30, 2019.

Approval of Advisory and Subadvisory Agreements

At in-person meetings held on June 23-26, 2019, the Board, including the Trustees who are not parties to any Agreement or considered to be interested persons of the Trust under the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Trustees), reapproved for an annual period the continuation of the Advisory Agreement between the Trust and the Advisor and the Subadvisory Agreement between the Advisor and the Subadvisor with respect to the fund.

In considering the Advisory Agreement and the Subadvisory Agreement, the Board received in advance of the meetings a variety of materials relating to the fund, the Advisor and the Subadvisor, including comparative performance, fee and expense information for a peer group of similar funds prepared by an independent third-party provider of fund data, performance information for an applicable benchmark index; and, with respect to the Subadvisor, comparative performance information for comparably managed accounts, as applicable, and other information provided by the Advisor and the Subadvisor regarding the nature, extent and quality of services provided by the Advisor and the Subadvisor under their respective Agreements, as well as information regarding the Advisor's revenues and costs of providing services to the fund and any compensation paid to affiliates of the Advisor. At the meetings at which the renewal of the Advisory Agreement and Subadvisory Agreement are considered, particular focus is given to information concerning fund performance, comparability of fees and total expenses, and profitability. However, the Board notes that the evaluation process with respect to the Advisor and the Subadvisor is an ongoing one. In this regard, the Board also took into account discussions with management and information provided to the Board (including its various committees) at prior meetings with respect to the services provided by the Advisor and the Subadvisor to the fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Subadvisor with respect to the fund. The information received and considered by the Board in connection with the May and June meetings and throughout the year was both written and oral. The Board also considered the nature, quality, and extent of non-advisory services, if any, to be provided to the fund by the Advisor's affiliates, including distribution services. The Board considered the Advisory Agreement and the Subadvisory Agreement separately in the course of its review. In doing so, the Board noted the respective roles of the Advisor and Subadvisor in providing services to the fund.

Throughout the process, the Board asked questions of and requested additional information from management. The Board is assisted by counsel for the Trust and the Independent Trustees are also separately assisted by independent legal counsel throughout the process. The Independent Trustees also received a memorandum from their independent legal counsel discussing the legal standards for their consideration of the proposed continuation of the Agreements

and discussed the proposed continuation of the Agreements in private sessions with their independent legal counsel at which no representatives of management were present.

Approval of Advisory Agreement

In approving the Advisory Agreement with respect to the fund, the Board, including the Independent Trustees, considered a variety of factors, including those discussed below. The Board also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the industry) and did not treat any single factor as determinative, and each Trustee may have attributed different weights to different factors. The Board's conclusions may be based in part on its consideration of the advisory and subadvisory arrangements in prior years and on the Board's ongoing regular review of fund performance and operations throughout the year.

Nature, extent, and quality of services. Among the information received by the Board from the Advisor relating to the nature, extent, and quality of services provided to the fund, the Board reviewed information provided by the Advisor relating to its operations and personnel, descriptions of its organizational and management structure, and information regarding the Advisor's compliance and regulatory history, including its Form ADV. The Board also noted that on a regular basis it receives and reviews information from the Trust's Chief Compliance Officer (CCO) regarding the fund's compliance policies and procedures established pursuant to Rule 38a-1 under the 1940 Act. The Board observed that the scope of services provided by the Advisor, and of the undertakings required of the Advisor in connection with those services, including maintaining and monitoring its own and the fund's compliance programs, risk management programs, liquidity management programs and cybersecurity programs, had expanded over time as a result of regulatory, market and other developments. The Board considered that the Advisor is responsible for the management of the day-to-day operations of the fund, including, but not limited to, general supervision of and coordination of the services provided by the Subadvisor, and is also responsible for monitoring and reviewing the activities of the Subadvisor and third-party service providers. The Board also considered the significant risks assumed by the Advisor in connection with the services provided to the fund including entrepreneurial risk in sponsoring new funds and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to all funds.

In considering the nature, extent, and quality of the services provided by the Advisor, the Trustees also took into account their knowledge of the Advisor's management and the quality of the performance of the Advisor's duties, through Board meetings, discussions and reports during the preceding year and through each Trustee's experience as a Trustee of the Trust and of the other trusts in the John Hancock group of funds complex (the John Hancock Fund Complex).

In the course of their deliberations regarding the Advisory Agreement, the Board considered, among other things:

- (a) the skills and competency with which the Advisor has in the past managed the Trust's affairs and its subadvisory relationship, the Advisor's oversight and monitoring of the Subadvisor's investment performance and compliance programs, such as the Subadvisor's compliance with fund policies and objectives, review of brokerage matters, including with respect to trade allocation and best execution and the Advisor's timeliness in responding to performance issues;
- (b) the background, qualifications and skills of the Advisor's personnel;
- (c) the Advisor's compliance policies and procedures and its responsiveness to regulatory changes and fund industry developments;

- (d) the Advisor's administrative capabilities, including its ability to supervise the other service providers for the fund, as well as the Advisor's oversight of any securities lending activity, its monitoring of class action litigation and collection of class action settlements on behalf of the fund, and bringing loss recovery actions on behalf of the fund;
- (e) the financial condition of the Advisor and whether it has the financial wherewithal to provide a high level and quality of services to the fund;
- (f) the Advisor's initiatives intended to improve various aspects of the Trust's operations and investor experience with the fund; and
- (g) the Advisor's reputation and experience in serving as an investment advisor to the Trust and the benefit to shareholders of investing in funds that are part of a family of funds offering a variety of investments.

The Board concluded that the Advisor may reasonably be expected to continue to provide a high quality of services under the Advisory Agreement with respect to the fund.

Investment performance. In considering the fund's performance, the Board noted that it reviews at its regularly scheduled meetings information about the fund's performance results. In connection with the consideration of the Advisory Agreement, the Board:

- (a) reviewed information prepared by management regarding the fund's performance;
- (b) considered the comparative performance of an applicable benchmark index;
- (c) considered the performance of comparable funds, if any, as included in the report prepared by an independent third-party provider of fund data; and
- (d) took into account the Advisor's analysis of the fund's performance and its plans and recommendations regarding the Trust's subadvisory arrangements generally.

The Board noted that while it found the data provided by the independent third-party generally useful it recognized its limitations, including in particular that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board noted that the fund underperformed its benchmark index and its peer group average for the one-, three- and five-year periods ended December 31, 2018. The Board took into account management's discussion of the fund's performance and the fund's investment strategy. The Board concluded that the fund's performance is being monitored and reasonably addressed, where appropriate, and noted potential actions management is considering taking with respect to the fund.

Fees and expenses. The Board reviewed comparative information prepared by an independent third-party provider of fund data, including, among other data, the fund's contractual and net management fees (and subadvisory fees, to the extent available) and total expenses as compared to similarly situated investment companies deemed to be comparable to the fund in light of the nature, extent and quality of the management and advisory and subadvisory services provided by the Advisor and the Subadvisor. The Board considered the fund's ranking within a smaller group of peer funds chosen by the independent third-party provider, as well as the fund's ranking within a broader group of funds. In comparing the fund's contractual and net management fees to those of comparable funds, the Board noted that such fees include both advisory and administrative costs. The Board noted that net management fees for the fund are equal to the peer group median and that net total expenses for the fund are higher than the peer group median.

The Board took into account management's discussion of the fund's expenses. The Board also took into account management's discussion with respect to the overall management fee and the fees of the Subadvisor, including the

amount of the advisory fee retained by the Advisor after payment of the subadvisory fee, in each case in light of the services rendered for those amounts and the risks undertaken by the Advisor. The Board also noted that the Advisor pays the subadvisory fee, and that such fees are negotiated at arm's length with respect to the Subadvisor. In addition, the Board took into account that management had agreed to implement an overall fee waiver across the complex, including the fund, which is discussed further below. The Board also noted actions taken over the past several years to reduce the fund's operating expenses. The Board also noted that, in addition, the Advisor is currently waiving fees and/or reimbursing expenses with respect to the fund and that the fund has breakpoints in its contractual management fee schedule that reduces management fees as assets increase. The Board reviewed information provided by the Advisor concerning the investment advisory fee charged by the Advisor or one of its advisory affiliates to other clients (including other funds in the John Hancock Fund Complex) having similar investment mandates, if any. The Board considered any differences between the Advisor's and Subadvisor's services to the fund and the services they provide to other comparable clients or funds. The Board concluded that the advisory fee paid with respect to the fund is reasonable in light of the nature, extent and quality of the services provided to the fund under the Advisory Agreement.

Profitability/Fall out benefits. In considering the costs of the services to be provided and the profits to be realized by the Advisor and its affiliates from the Advisor's relationship with the Trust, the Board:

- (a) reviewed financial information of the Advisor;
- (b) reviewed and considered information presented by the Advisor regarding the net profitability to the Advisor and its affiliates with respect to the fund;
- (c) received and reviewed profitability information with respect to the John Hancock Fund Complex as a whole and with respect to the fund;
- (d) received information with respect to the Advisor's allocation methodologies used in preparing the profitability data and considered that the Advisor hired an independent third-party consultant to provide an analysis of the Advisor's allocation methodologies;
- (e) considered that the John Hancock insurance companies that are affiliates of the Advisor, as shareholders of the Trust directly or through their separate accounts, receive certain tax credits or deductions relating to foreign taxes paid and dividends received by certain funds of the Trust and noted that these tax benefits, which are not available to participants in qualified retirement plans under applicable income tax law, are reflected in the profitability information reviewed by the Board;
- (f) considered that the Advisor also provides administrative services to the fund on a cost basis pursuant to an administrative services agreement;
- (g) noted that affiliates of the Advisor provide transfer agency services and distribution services to the fund, and that the fund's distributor also receives Rule 12b-1 payments to support distribution of the fund;
- (h) noted that affiliates of the Advisor provide transfer agency services and placement services to the fund;
- (i) noted that the Advisor also derives reputational and other indirect benefits from providing advisory services to the fund;
- (j) noted that the subadvisory fee for the fund is paid by the Advisor and is negotiated at arm's length;
- (k) considered the Advisor's ongoing costs and expenditures necessary to improve services, meet new regulatory and compliance requirements, and adapt to other challenges impacting the fund industry; and

- (l) considered that the Advisor should be entitled to earn a reasonable level of profits in exchange for the level of services it provides to the fund and the risks that it assumes as Advisor, including entrepreneurial, operational, reputational, litigation and regulatory risk.

Based upon its review, the Board concluded that the level of profitability, if any, of the Advisor and its affiliates from their relationship with the fund was reasonable and not excessive.

Economies of scale. In considering the extent to which economies of scale would be realized as the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders, the Board:


- (a) considered that the Advisor has contractually agreed to waive a portion of its management fee for certain funds of the John Hancock Fund Complex, including the fund (the participating portfolios) or otherwise reimburse the expenses of the participating portfolios (the reimbursement). This waiver is based upon aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each fund;
- (b) reviewed the fund's advisory fee structure and concluded that: (i) the fund's fee structure contains breakpoints at the subadvisory fee level and that such breakpoints are reflected as breakpoints in the advisory fees for the fund; and (ii) although economies of scale cannot be measured with precision, these arrangements permit shareholders of the fund to benefit from economies of scale if the fund grows. The Board also took into account management's discussion of the fund's advisory fee structure; and
- (c) the Board also considered the effect of the fund's growth in size on its performance and fees. The Board also noted that if the fund's assets increase over time, the fund may realize other economies of scale.

Approval of Subadvisory Agreement

In making its determination with respect to approval of the Subadvisory Agreement, the Board reviewed:

- (1) information relating to the Subadvisor's business, including current subadvisory services to the Trust (and other funds in the John Hancock Fund Complex);
- (2) the historical and current performance of the fund and comparative performance information relating to an applicable benchmark index and comparable funds; and
- (3) the subadvisory fee for the fund, including any breakpoints, and to the extent available, comparable fee information prepared by an independent third party provider of fund data.

Nature, extent, and quality of services. With respect to the services provided by the Subadvisor, the Board received information provided to the Board by the Subadvisor, including the Subadvisor's Form ADV, as well as took into account information presented throughout the past year. The Board considered the Subadvisor's current level of staffing and its overall resources, as well as received information relating to the Subadvisor's compensation program. The Board reviewed the Subadvisor's history and investment experience, as well as information regarding the qualifications, background, and responsibilities of the Subadvisor's investment and compliance personnel who provide services to the fund. The Board also considered, among other things, the Subadvisor's compliance program and any disciplinary history. The Board also considered the Subadvisor's risk assessment and monitoring process. The Board reviewed the Subadvisor's regulatory history, including whether it was involved in any regulatory actions or investigations as well as material litigation, and any settlements and amelioratory actions undertaken, as appropriate. The Board noted that the Advisor conducts regular, periodic reviews of the Subadvisor and its operations, including



regarding investment processes and organizational and staffing matters. The Board also noted that the Trust's CCO and his staff conduct regular, periodic compliance reviews with the Subadvisor and present reports to the Independent Trustees regarding the same, which includes evaluating the regulatory compliance systems of the Subadvisor and procedures reasonably designed to assure compliance with the federal securities laws. The Board also took into account the financial condition of the Subadvisor.

The Board considered the Subadvisor's investment process and philosophy. The Board took into account that the Subadvisor's responsibilities include the development and maintenance of an investment program for the fund that is consistent with the fund's investment objective, the selection of investment securities and the placement of orders for the purchase and sale of such securities, as well as the implementation of compliance controls related to performance of these services. The Board also received information with respect to the Subadvisor's brokerage policies and practices, including with respect to best execution and soft dollars.

Subadvisor compensation. In considering the cost of services to be provided by the Subadvisor and the profitability to the Subadvisor of its relationship with the fund, the Board noted that the fees under the Subadvisory Agreement are paid by the Advisor and not the fund. The Board also relied on the ability of the Advisor to negotiate the Subadvisory Agreement with the Subadvisor, which is not affiliated with the Advisor, and the fees thereunder at arm's length. As a result, the costs of the services to be provided and the profits to be realized by the Subadvisor from its relationship with the Trust were not a material factor in the Board's consideration of the Subadvisory Agreement. The Board also received information regarding the nature and scope (including their significance to the Advisor and its affiliates and to the Subadvisor) of any material relationships with respect to the Subadvisor, which include arrangements in which the Subadvisor or its affiliates provide advisory, distribution, or management services in connection with financial products sponsored by the Advisor or its affiliates, and may include other registered investment companies, a 529 education savings plan, managed separate accounts and exempt group annuity contracts sold to qualified plans. The Board also received information and took into account any other potential conflicts of interest the Advisor might have in connection with the Subadvisory Agreement.

In addition, the Board considered other potential indirect benefits that the Subadvisor and its affiliates may receive from the Subadvisor's relationship with the fund, such as the opportunity to provide advisory services to additional funds in the John Hancock Fund Complex and reputational benefits.

Subadvisory fees. The Board considered that the fund pays an advisory fee to the Advisor and that, in turn, the Advisor pays a subadvisory fee to the Subadvisor. As noted above, the Board also considered the fund's subadvisory fees as compared to similarly situated investment companies deemed to be comparable to the fund as included in the report prepared by the independent third party provider of fund data, to the extent available. The Board noted that the limited size of the Lipper peer group was not sufficient for comparative purposes. The Board noted that the limited size of the Lipper peer group was not sufficient for comparative purposes. The Board also took into account the subadvisory fees paid by the Advisor to the Subadvisor with respect to the fund and compared them to fees charged by the Subadvisor to manage other subadvised portfolios and portfolios not subject to regulation under the 1940 Act, as applicable.

Subadvisor performance. As noted above, the Board considered the fund's performance as compared to the fund's peer group and the benchmark index and noted that the Board reviews information about the fund's performance results at its regularly scheduled meetings. The Board noted the Advisor's expertise and resources in monitoring the performance, investment style and risk-adjusted performance of the Subadvisor. The Board was mindful of the Advisor's focus on the Subadvisor's performance. The Board also noted the Subadvisor's long-term performance record for similar accounts, as applicable.

The Board's decision to approve the Subadvisory Agreement was based on a number of determinations, including the following:

- (1) the Subadvisor has extensive experience and demonstrated skills as a manager;
- (2) the performance of the fund is being monitored and reasonably addressed, where appropriate;
- (3) the subadvisory fee is reasonable in relation to the level and quality of services being provided; and
- (4) noted that the subadvisory fees are paid by the Advisor not the fund and that the subadvisory fee breakpoints are reflected as breakpoints in the advisory fees for the fund in order to permit shareholders to benefit from economies of scale if the fund grows.

* * *

Based on the Board's evaluation of all factors that the Board deemed to be material, including those factors described above, the Board, including the Independent Trustees, concluded that renewal of the Advisory Agreement and the Subadvisory Agreement would be in the best interest of the fund and its shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Advisory Agreement and Subadvisory Agreement for an additional one-year period.

Initial Board Consideration of Nordea Investment Management North America, Inc. Subadvisory Agreement

At its in-person meeting held on June 23-26, 2019, the Board, including the Independent Trustees, approved the Nordea Investment Management North America, Inc. (NIMNAI) Subadvisory Agreement (the NIMNAI Subadvisory Agreement) between the Advisor and NIMNAI (the Subadvisor) with respect to the Fund.

In considering the NIMNAI Subadvisory Agreement, the Board received in advance of the meeting a variety of materials relating to the Fund and NIMNAI including comparative performance, fee and expense information of NIMNAI and SLI; performance information for relevant indices; and other pertinent information, such as comparative performance information for comparably managed accounts, as applicable; and other information provided by NIMNAI regarding the nature, extent and quality of services to be provided by NIMNAI under the NIMNAI Subadvisory Agreement. The Board also took into account discussions with management and information provided to the Board with respect to the services to be provided by NIMNAI to the Fund. The Board also received an in-person presentation from NIMNAI regarding its firm and the proposed strategy for the Fund, during which the Board had the opportunity to ask questions of NIMNAI. The information received and considered by the Board was both written and oral.

Throughout the process, the Board asked questions of and requested additional information from management. The Board was assisted by counsel for the Trust and the Independent Trustees were also separately assisted by independent legal counsel throughout the process. The Independent Trustees also received a memorandum from their independent legal counsel discussing the legal standards for their consideration of the proposed NIMNAI Subadvisory Agreement and discussed the approval of the Agreement in private sessions with their independent legal counsel at which no representatives of management were present.

In approving the NIMNAI Subadvisory Agreement, the Board, including the Independent Trustees, considered a variety of factors, including those discussed below. The Board also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets and the industry) and did not treat any single factor as determinative, and each Trustee may have attributed different weights to different factors.

Approval of NIMNAI Subadvisory Agreement

In making its determination with respect to approval of the NIMNAI Subadvisory Agreement, the Board reviewed (i) information relating to NIMNAI's business; (ii) the historical performance of the Fund under the management of SLI, which included comparative performance information of the Fund and the Fund's previous benchmark index and the performance of a comparable composite managed by NIMNAI; (iii) the subadvisory fee for the Fund; and (iv) information relating to the nature and scope of any material relationships and their significance to the Fund's Advisor and the Subadvisor. The Board also considered that the subadvisory fee rates for the Fund under the NIMNAI Subadvisory Agreement: (i) are lower or equal to the rates under the SLI Subadvisory Agreement depending on the Fund's level of assets; (ii) are paid by the Advisor not the Fund; (iii) are a product of arms-length negotiation between the Advisor and NIMNAI; and (iv) are reasonable. In addition, approval of the NIMNAI Subadvisory Agreement will not result in any increase in the advisory fees for the Fund and an amendment to the Fund's advisory agreement will have the effect of reducing the Fund's the advisory fees at all asset levels.

Nature, extent, and quality of services. With respect to the services to be provided to the Fund by NIMNAI, the Board received information provided to the Board by NIMNAI, which included an in-person presentation from NIMNAI regarding its firm and proposed investment strategy for the Fund. The Board considered NIMNAI's current level of staffing and its overall resources. The Board reviewed NIMNAI's history and investment experience, as well as information regarding the qualifications, background, and responsibilities of NIMNAI's investment and compliance personnel who will provide services to the Fund. The Board also considered, among other things, NIMNAI's compliance program and any disciplinary history. The Board also considered NIMNAI's risk assessment and monitoring processes. The Board reviewed NIMNAI's regulatory history, including whether it was currently involved in any regulatory actions or investigations as well as material litigation, and any settlements and mitigating actions undertaken, as appropriate. The Board noted that the Advisor would conduct regular periodic reviews of NIMNAI and its operations in regard to the Fund, including regarding investment processes and organizational and staffing matters. The Board also noted that the Trust's Chief Compliance Officer and his staff would conduct regular, periodic compliance reviews with NIMNAI and present reports to the Independent Trustees regarding the same, which includes evaluating the regulatory compliance systems of NIMNAI and procedures reasonably designed by it to assure compliance with the federal securities laws. The Board also took into account the financial condition of NIMNAI.

The Board considered NIMNAI's investment process and philosophy. The Board took into account that NIMNAI's responsibilities will include the development and maintenance of an investment program for the Fund that is consistent with the Fund's investment objective, the selection of investment securities and the placement of orders for the purchase and sale of such securities, as well as the implementation of compliance controls related to performance of these services. The Board also received information with respect to NIMNAI's brokerage policies and practices, including with respect to best execution and soft dollars.

Subadvisor compensation. In considering the cost of services to be provided by NIMNAI and the profitability to NIMNAI of its relationship with the Fund, the Board noted that the fees under the NIMNAI Subadvisory Agreement are paid by the Advisor and not the Fund. The Board also noted that there will be no increase in the advisory fees paid by the Fund as a consequence of the execution of the NIMNAI Subadvisory Agreement and that a proposed amendment to the Fund's advisory agreement will have the effect of reducing the Fund's the advisory fees at all asset levels. The Board noted that the subadvisory fees under the NIMNAI Subadvisory Agreement would be lower than or equal to the fees under the SLI Subadvisory Agreement depending on the Fund's level of assets.

The Board also relied on the ability of the Advisor to negotiate the NIMNAI Subadvisory Agreement with NIMNAI, which is not affiliated with the Advisor, and the fees thereunder at arm's length. As a result, the costs of the services to



be provided and the profits to be realized by NIMNAI from its relationship with the Trust were not a material factor in the Board's consideration of the NIMNAI Subadvisory Agreement.

The Board also received information and took into account any other potential conflicts of interest the Advisor might have in connection with the NIMNAI Subadvisory Agreement.

In addition, the Board considered other potential indirect benefits that NIMNAI and its affiliates may receive from NIMNAI's relationship with the Fund, such as the opportunity to provide advisory services to additional funds in the John Hancock fund complex and reputational benefits.

Subadvisory fees. The Board considered that the Fund pays an advisory fee to the Advisor and that, in turn, the Advisor pays a subadvisory fee to NIMNAI. The Board also considered that the subadvisory fee to be paid to NIMNAI for managing the Fund is lower or equal to the fee previously paid to SLI at all asset levels. The Board also took into account that the Fund's advisory fee was also being amended and would result in advisory fee rates that are lower than the current advisory fee rates. The Board also considered, as available, the Fund's subadvisory fees as compared to comparable investment companies.

Subadvisor performance. As noted above, the Board considered the Fund's performance as compared to the Fund's benchmark index under the management of SLI and noted that the Board reviews information about the Fund's performance results at its regularly scheduled meetings. The Board noted the Advisor's expertise and resources in monitoring the performance, investment style, and risk-adjusted performance of NIMNAI. The Board also noted NIMNAI's long-term performance record for similar accounts.

The Board's decision to approve the NIMNAI Subadvisory Agreement was based on a number of determinations, such as information relating to NIMNAI's business, including the historical performance of the Fund under the management of SLI, which included comparative performance information of the Fund and a composite managed by NIMNAI; NIMNAI has extensive experience and demonstrated skills as a manager; and that the subadvisory fee rates for the Fund under the NIMNAI Subadvisory Agreement:

- (1) are lower than or equal to the rates under the SLI Subadvisory Agreement at all asset levels;
- (2) are reasonable in relation to the level and quality of services to be provided under the NIMNAI Subadvisory Agreement;
- (3) are paid by the Advisor not the Fund;
- (4) have breakpoints that are reflected as breakpoints in the advisory fees for the Fund in order to permit shareholders to benefit from economies of scale if the Fund grows; and
- (5) are a product of arms-length negotiation between the Advisor and NIMNAI. In addition, the Board considered that approval of the NIMNAI Subadvisory Agreement will not result in any increase in the advisory fees for the Fund and the advisory fees will be lower for the Fund at all asset levels.

Trustees and Officers

This chart provides information about the Trustees and Officers who oversee your John Hancock fund. Officers elected by the Trustees manage the day-to-day operations of the fund and execute policies formulated by the Trustees.

Independent Trustees

Name, year of birth Position(s) held with Trust Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since¹	Number of John Hancock funds overseen by Trustee
Hassell H. McClellan, Born: 1945 <i>Trustee and Chairperson of the Board</i> Director/Trustee, Virtus Funds (since 2008); Director, The Barnes Group (since 2010); Associate Professor, The Wallace E. Carroll School of Management, Boston College (retired 2013). Trustee (since 2005) and Chairperson of the Board (since 2017) of various trusts within the John Hancock Fund Complex.	2005	213
Charles L. Bardelis,² Born: 1941 <i>Trustee</i> Director, Island Commuter Corp. (marine transport). Trustee of various trusts within the John Hancock Fund Complex (since 1988).	2005	213
James R. Boyle, Born: 1959 <i>Trustee</i> Chief Executive Officer, Foresters Financial (since 2018); Chairman and Chief Executive Officer, Zillion Group, Inc. (formerly HealthFleet, Inc.) (healthcare) (2014-2018); Executive Vice President and Chief Executive Officer, U.S. Life Insurance Division of Genworth Financial, Inc. (insurance) (January 2014–July 2014); Senior Executive Vice President, Manulife Financial, President and Chief Executive Officer, John Hancock (1999–2012); Chairman and Director, John Hancock Investment Management LLC, John Hancock Investment Management Distributors LLC, and John Hancock Variable Trust Advisers LLC (2005–2010). Trustee of various trusts within the John Hancock Fund Complex (2005–2014 and since 2015).	2015	213
Peter S. Burgess,² Born: 1942 <i>Trustee</i> Consultant (financial, accounting, and auditing matters) (since 1999); Certified Public Accountant; Partner, Arthur Andersen (independent public accounting firm) (prior to 1999); Director, Lincoln Educational Services Corporation (since 2004); Director, Symetra Financial Corporation (2010–2016); Director, PMA Capital Corporation (2004–2010). Trustee of various trusts within the John Hancock Fund Complex (since 2005).	2005	213
William H. Cunningham, Born: 1944 <i>Trustee</i> Professor, University of Texas, Austin, Texas (since 1971); former Chancellor, University of Texas System and former President of the University of Texas, Austin, Texas; Chairman (since 2009) and Director (since 2006), Lincoln National Corporation (insurance); Director, Southwest Airlines (since 2000); former Director, LIN Television (2009–2014). Trustee of various trusts within the John Hancock Fund Complex (since 1986).	2012	213
Grace K. Fey, Born: 1946 <i>Trustee</i> Chief Executive Officer, Grace Fey Advisors (since 2007); Director and Executive Vice President, Frontier Capital Management Company (1988–2007); Director, Fiduciary Trust (since 2009). Trustee of various trusts within the John Hancock Fund Complex (since 2008).	2008	213

Independent Trustees (continued)

Name, year of birth <i>Position(s) held with Trust</i> Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since ¹	Number of John Hancock funds overseen by Trustee
Theron S. Hoffman, ⁴ Born: 1947	2008	213
<i>Trustee</i> Chief Executive Officer, T. Hoffman Associates, LLC (consulting firm) (since 2003); Director, The Todd Organization (consulting firm) (2003–2010); President, Westport Resources Management (investment management consulting firm) (2006–2008); Board Member, Senior Managing Director, Partner, and Operating Head, Putnam Investments (2000–2003); Executive Vice President, The Thomson Corp. (financial and legal information publishing) (1997–2000). Trustee of various trusts within the John Hancock Fund Complex (since 2008).		
Deborah C. Jackson, Born: 1952	2012	213
<i>Trustee</i> President, Cambridge College, Cambridge, Massachusetts (since 2011); Board of Directors, National Association of Corporate Directors/New England (since 2015); Board of Directors, Association of Independent Colleges and Universities of Massachusetts (since 2014); Chief Executive Officer, American Red Cross of Massachusetts Bay (2002–2011); Board of Directors of Eastern Bank Corporation (since 2001); Board of Directors of Eastern Bank Charitable Foundation (since 2001); Board of Directors of American Student Assistance Corporation (1996–2009); Board of Directors of Boston Stock Exchange (2002–2008); Board of Directors of Harvard Pilgrim Healthcare (health benefits company) (2007–2011). Trustee of various trusts within the John Hancock Fund Complex (since 2008).		
James M. Oates, ² Born: 1946	2005	213
<i>Trustee</i> Managing Director, Wydown Group (financial consulting firm) (since 1994); Chairman and Director, Emerson Investment Management, Inc. (2000–2015); Independent Chairman, Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services company) (1997–2011); Director, Stifel Financial (since 1996); Director, Investor Financial Services Corporation (1995–2007); Director, Connecticut River Bancorp (1998–2014); Director/Trustee, Virtus Funds (since 1988). Trustee (since 2004) and Chairperson of the Board (2005–2016) of various trusts within the John Hancock Fund Complex.		
Steven R. Pruchansky, Born: 1944	2012	213
<i>Trustee and Vice Chairperson of the Board</i> Managing Director, Pru Realty (since 2017); Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (2000–2014); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Member, Board of Advisors, First American Bank (until 2010); Managing Director, Jon James, LLC (real estate) (since 2000); Partner, Right Funding, LLC (2014–2017); Director, First Signature Bank & Trust Company (until 1991); Director, Mast Realty Trust (until 1994); President, Maxwell Building Corp. (until 1991). Trustee (since 1992), Chairperson of the Board (2011–2012), and Vice Chairperson of the Board (since 2012) of various trusts within the John Hancock Fund Complex.		
Gregory A. Russo, Born: 1949	2012	213
<i>Trustee</i> Director and Audit Committee Chairman (since 2012), and Member, Audit Committee and Finance Committee (since 2011), NCH Healthcare System, Inc. (holding company for multi-entity healthcare system); Director and Member (2012–2018) and Finance Committee Chairman (2014–2018), The Moorings, Inc. (nonprofit continuing care community); Vice Chairman, Risk & Regulatory Matters, KPMG LLP (KPMG) (2002–2006); Vice Chairman, Industrial Markets, KPMG (1998–2002); Chairman and Treasurer, Westchester County, New York, Chamber of Commerce (1986–1992); Director, Treasurer, and Chairman of Audit and Finance Committees, Putnam Hospital Center (1989–1995); Director and Chairman of Fundraising Campaign, United Way of Westchester and Putnam Counties, New York (1990–1995). Trustee of various trusts within the John Hancock Fund Complex (since 2008).		

Non-Independent Trustees³

Name, year of birth Position(s) held with Trust Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since¹	Number of John Hancock funds overseen by Trustee
Andrew G. Arnott, Born: 1971	2017	213
<i>President and Non-Independent Trustee</i> Head of Wealth and Asset Management, United States and Europe, for John Hancock and Manulife (since 2018); Executive Vice President, John Hancock Financial Services (since 2009, including prior positions); Director and Executive Vice President, John Hancock Investment Management LLC (since 2005, including prior positions); Director and Executive Vice President, John Hancock Variable Trust Advisers LLC (since 2006, including prior positions); President, John Hancock Investment Management Distributors LLC (since 2004, including prior positions); President of various trusts within the John Hancock Fund Complex (since 2007, including prior positions). Trustee of various trusts within the John Hancock Fund Complex (since 2017).		
Marianne Harrison, Born: 1963	2018	213
<i>Non-Independent Trustee</i> President and CEO, John Hancock (since 2017); President and CEO, Manulife Canadian Division (2013–2017); Member, Board of Directors, American Council of Life Insurers (ACLI) (since 2018); Member, Board of Directors, Communitech, an industry-led innovation center that fosters technology companies in Canada (since 2017); Member, Board of Directors, Manulife Assurance Canada (2015–2017); Board Member, St. Mary's General Hospital Foundation (2014–2017); Member, Board of Directors, Manulife Bank of Canada (2013–2017); Member, Standing Committee of the Canadian Life & Health Assurance Association (2013–2017); Member, Board of Directors, John Hancock USA, John Hancock Life & Health, John Hancock New York (2012–2013). Trustee of various trusts within the John Hancock Fund Complex (since 2018).		

Principal officers who are not Trustees

Name, year of birth Position(s) held with Trust Principal occupation(s) during past 5 years	Officer of the Trust since
Francis V. Knox, Jr., Born: 1947	2005
<i>Chief Compliance Officer</i> Vice President, John Hancock Financial Services (since 2005); Chief Compliance Officer, various trusts within the John Hancock Fund Complex, John Hancock Investment Management LLC, and John Hancock Variable Trust Advisers LLC (since 2005).	
Charles A. Rizzo, Born: 1957	2007
<i>Chief Financial Officer</i> Vice President, John Hancock Financial Services (since 2008); Senior Vice President, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2008); Chief Financial Officer of various trusts within the John Hancock Fund Complex (since 2007).	
Salvatore Schiavone, Born: 1965	2009
<i>Treasurer</i> Assistant Vice President, John Hancock Financial Services (since 2007); Vice President, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2007); Treasurer of various trusts within the John Hancock Fund Complex (since 2007, including prior positions).	

Principal officers who are not Trustees (continued)

Name, year of birth Position(s) held with Trust Principal occupation(s) during past 5 years	Officer of the Trust since
Christopher (Kit) Sechler, Born: 1973	2018

Chief Legal Officer and Secretary
Vice President and Deputy Chief Counsel, John Hancock Investments (since 2015); Assistant Vice President and Senior Counsel (2009–2015), John Hancock Investment Management; Chief Legal Officer and Secretary of various trusts within the John Hancock Fund Complex (since 2018); Assistant Secretary of John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2009).

The business address for all Trustees and Officers is 200 Berkeley Street, Boston, Massachusetts 02116-5023.
The Statement of Additional Information of the fund includes additional information about members of the Board of Trustees of the Trust and is available without charge, upon request, by calling 800-225-5291.

¹ Each Trustee holds office until his or her successor is elected and qualified, or until the Trustee’s death, retirement, resignation, or removal. Mr. Boyle has served as Trustee at various times prior to the date listed in the table.

² Member of the Audit Committee.

³ The Trustee is a Non-Independent Trustee due to current or former positions with the Advisor and certain affiliates.

⁴ Mr. Hoffman retired as Trustee effective August 31, 2019.

More information

Trustees

Hassell H. McClellan, *Chairperson*
Steven R. Pruchansky, *Vice Chairperson*
Andrew G. Arnott[†]
Charles L. Bardelis*
James R. Boyle
Peter S. Burgess*
William H. Cunningham
Grace K. Fey
Marianne Harrison[†]
Theron S. Hoffman[†]
Deborah C. Jackson
James M. Oates*
Gregory A. Russo

Officers

Andrew G. Arnott
President
Francis V. Knox, Jr.
Chief Compliance Officer
Charles A. Rizzo
Chief Financial Officer
Salvatore Schiavone
Treasurer
Christopher (Kit) Sechler**
Secretary and Chief Legal Officer

* Member of the Audit Committee

† Non-Independent Trustee

** Effective 9-13-18

Effective 8-28-19. Prior to that date, Standard Life Investments (Corporate Funds) Limited served as Subadvisor and Aymeric Forest as Portfolio Manager.

† Retired effective 8-31-19

The fund's proxy voting policies and procedures, as well as the fund proxy voting record for the most recent twelve-month period ended June 30, are available free of charge on the Securities and Exchange Commission (SEC) website at sec.gov or on our website.

All of the fund's holdings as of the end of the third month of every fiscal quarter are filed with the SEC on Form N-PORT within 60 days of the end of the fiscal quarter. The fund's Form N-PORT filings are available on our website and the SEC's website, sec.gov.

We make this information on your fund, as well as **monthly portfolio holdings**, and other fund details available on our website at jhinvestments.com or by calling 800-225-5291.

You can also contact us:

800-225-5291

jhinvestments.com

Regular mail:

John Hancock Signature Services, Inc.
P.O. Box 55913
Boston, MA 02205-5913

Express mail:

John Hancock Signature Services, Inc.
2000 Crown Colony Drive
Suite 55913
Quincy, MA 02169-0953

Investment advisor

John Hancock Investment Management LLC

Subadvisor

Nordea Investment Management North America, Inc.#

Portfolio Manager

Dr. Asbjørn Trolle Hansen#

Dr. Claus Vorm#

Kurt Kongsted#

Principal distributor

John Hancock Investment Management Distributors LLC

Custodian

Citibank, N.A.

Transfer agent

John Hancock Signature Services, Inc.

Legal counsel

K&L Gates LLP

Independent registered public accounting firm

PricewaterhouseCoopers LLP

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Brokerage account shareholders

If you receive statements directly from your bank or broker and would like to participate in eDelivery, go to **icsdelivery/live** or contact your financial representative.

Get your questions answered by using our shareholder resources

ONLINE

- Visit **jhinvestments.com** to access a range of resources for individual investors, from account details and fund information to forms and our latest insight on the markets and economy.
- Use our **Fund Compare** tool to compare thousands of funds and ETFs across dozens of risk and performance metrics—all powered by Morningstar.
- Visit our online **Tax Center**, where you'll find helpful taxpayer resources all year long, including tax forms, planning guides, and other fund-specific information.
- Follow us on **Facebook, Twitter, and LinkedIn** to get the latest updates on the markets and what's trending now.

BY PHONE

Call our customer service representatives at 800-225-5291, Monday to Thursday, 8:00 A.M. to 7:00 P.M., and Friday, 8:00 A.M. to 6:00 P.M., Eastern time. We're here to help!

John Hancock family of funds

DOMESTIC EQUITY FUNDS

Blue Chip Growth
Classic Value
Disciplined Value
Disciplined Value Mid Cap
Equity Income
Financial Industries
Fundamental All Cap Core
Fundamental Large Cap Core
New Opportunities
Regional Bank
Small Cap Core
Small Cap Growth
Small Cap Value
U.S. Global Leaders Growth
U.S. Quality Growth
Value Equity

GLOBAL AND INTERNATIONAL EQUITY FUNDS

Disciplined Value International
Emerging Markets
Emerging Markets Equity
Fundamental Global Franchise
Global Equity
Global Shareholder Yield
Global Thematic Opportunities
International Dynamic Growth
International Growth
International Small Company

INCOME FUNDS

Bond
California Tax-Free Income
Emerging Markets Debt
Floating Rate Income
Government Income
High Yield
High Yield Municipal Bond
Income
Investment Grade Bond
Money Market
Short Duration Bond
Short Duration Credit Opportunities
Spectrum Income
Strategic Income Opportunities
Tax-Free Bond

ALTERNATIVE AND SPECIALTY FUNDS

Absolute Return Currency
Alternative Asset Allocation
Disciplined Alternative Yield
Diversified Macro
Infrastructure
Multi-Asset Absolute Return
Seaport Long/Short

A fund's investment objectives, risks, charges, and expenses should be considered carefully before investing. The prospectus contains this and other important information about the fund. To obtain a prospectus, contact your financial professional, call John Hancock Investment Management at 800-225-5291, or visit our website at jhinvestments.com. Please read the prospectus carefully before investing or sending money.

ASSET ALLOCATION

- Balanced
- Income Allocation
- Multi-Index Lifetime Portfolios
- Multi-Index Preservation Portfolios
- Multimanager Lifestyle Portfolios
- Multimanager Lifetime Portfolios
- Retirement Income 2040

EXCHANGE-TRADED FUNDS

- John Hancock Multifactor Consumer Discretionary ETF
- John Hancock Multifactor Consumer Staples ETF
- John Hancock Multifactor Developed International ETF
- John Hancock Multifactor Emerging Markets ETF
- John Hancock Multifactor Energy ETF
- John Hancock Multifactor Financials ETF
- John Hancock Multifactor Healthcare ETF
- John Hancock Multifactor Industrials ETF
- John Hancock Multifactor Large Cap ETF
- John Hancock Multifactor Materials ETF
- John Hancock Multifactor Media and Communications ETF
- John Hancock Multifactor Mid Cap ETF
- John Hancock Multifactor Small Cap ETF
- John Hancock Multifactor Technology ETF
- John Hancock Multifactor Utilities ETF

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FUNDS

- ESG All Cap Core
- ESG Core Bond
- ESG International Equity
- ESG Large Cap Core

CLOSED-END FUNDS

- Financial Opportunities
- Hedged Equity & Income
- Income Securities Trust
- Investors Trust
- Preferred Income
- Preferred Income II
- Preferred Income III
- Premium Dividend
- Tax-Advantaged Dividend Income
- Tax-Advantaged Global Shareholder Yield

John Hancock Multifactor ETF shares are bought and sold at market price (not NAV), and are not individually redeemed from the fund. Brokerage commissions will reduce returns.

John Hancock ETFs are distributed by Foreside Fund Services, LLC, and are subadvised by Dimensional Fund Advisors LP. Foreside is not affiliated with John Hancock Investment Management Distributors, LLC or Dimensional Fund Advisors LP.

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John Hancock Investment Management

A trusted brand

John Hancock Investment Management is a premier asset manager representing one of America's most trusted brands, with a heritage of financial stewardship dating back to 1862. Helping our shareholders pursue their financial goals is at the core of everything we do. It's why we support the role of professional financial advice and operate with the highest standards of conduct and integrity.

A better way to invest

We serve investors globally through a unique multimanager approach: We search the world to find proven portfolio teams with specialized expertise for every strategy we offer, then we apply robust investment oversight to ensure they continue to meet our uncompromising standards and serve the best interests of our shareholders.

Results for investors

Our unique approach to asset management enables us to provide a diverse set of investments backed by some of the world's best managers, along with strong risk-adjusted returns across asset classes.



John Hancock Investment Management Distributors, LLC ■ Member FINRA, SIPC
200 Berkeley Street ■ Boston, MA 02116-5010 ■ 800-225-5291 ■ jhinvestments.com

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